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9
10 Attorneys for Defendants
11 WACHOVIA FINANCIAL SERVICES, WACHOVIA MORTGAGE
12 CORPORATION, WACHOVIA SHARED RESOURCES, LLC
13 (erroneously sued as Wachovia Services, Inc.), WORLD
14 MORTGAGE COMPANY, WACHOVIA COMMERCIAL
15 MORTGAGE, INC., WORLD SAVINGS, INC., WACHOVIA
16 EQUITY SERVICING, LLC, WACHOVIA BANK, N.A., WACHOVIA
17 CORPORATION, and WACHOVIA MORTGAGE, FSB

18 PLAINTIFF'S COUNSEL LISTED ON NEXT PAGE

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

RONALD CHIN, individually, and on
behalf of other members of the general
public similarly situated,

Plaintiff,

vs.

WACHOVIA FINANCIAL SERVICES,
INC.; WACHOVIA MORTGAGE
CORPORATION; WACHOVIA
SERVICES, INC.; WORLD MORTGAGE
COMPANY; WACHOVIA
COMMERCIAL MORTGAGE, INC.;
WORLD SAVINGS, INC.; WACHOVIA
EQUITY SERVICING, LLC;
WACHOVIA BANK, N.A.; WACHOVIA
CORPORATION; WACHOVIA
MORTGAGE, FSB; and DOES 1 through
10, inclusive,

Defendants.

CASE NO. 4:08-cv-00684-CW

**STIPULATION RE: SETTLEMENT OF
CLASS ACTION;**

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
SETTLEMENT (EXHIBIT 1);**

**[PROPOSED] NOTICE TO CLASS
MEMBERS (EXHIBIT 2);**

**[PROPOSED] ORDER GRANTING FINAL
APPROVAL OF SETTLEMENT (EXHIBIT
3); AND**

[PROPOSED] JUDGMENT (EXHIBIT 4)

Other Case Affected by Settlement: *Chin v.
Wachovia Financial Services, Inc., et al.*, Case No.
4:08-cv-01320-CW

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11 Attorneys for Plaintiff RONALD CHIN and proposed
12 Settlement Class
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1 IT IS HEREBY STIPULATED AND AGREED by and between RONALD CHIN
 2 (as Class Representative) and his counsel (herein “Class Counsel”), on behalf of themselves and
 3 the proposed Settlement Class, on the one hand, and WACHOVIA MORTGAGE, FSB
 4 (“Wachovia”), on the other hand, as set forth below:

5 **I. The Conditional Nature of This Stipulation.**

6 This Stipulation re: Settlement and all associated exhibits or attachments (herein
 7 “Stipulation”) is made for the sole purpose of attempting to consummate settlement of *Chin v.*
 8 *Wachovia Financial Services, Inc., et al.*, Case No. 4:08-cv-00684-CW (N.D. Cal.), and *Chin v.*
 9 *Wachovia Financial Services, Inc., et al.*, Case No. 4:08-cv-01320-CW (N.D. Cal.) (herein, the
 10 two cases are collectively referred to as the “Litigation”) on a class-wide basis. This Stipulation
 11 and the settlement it evidences is made in compromise of disputed claims. Because these actions
 12 were pled as class and collective actions, this settlement must receive preliminary and final
 13 approval by the Court. Accordingly, the Settling Parties enter into this Stipulation and associated
 14 settlement on a conditional basis. In the event that the Court does not execute and file the Order
 15 Granting Final Approval of Settlement, or in the event that the associated Judgment does not
 16 become Final for any reason, this Stipulation shall be deemed null and void *ab initio*, it shall be of
 17 no force or effect whatsoever, it shall not be referred to or utilized for any purpose whatsoever,
 18 and the negotiation, terms and entry of the Stipulation shall remain subject to the provisions of
 19 Federal Rule of Evidence 408 and California Evidence Code Sections 1119 and 1152.

20 Wachovia denies all of the claims as to liability, damages, penalties, interest, fees,
 21 restitution and all other forms of relief as well as the class and collective action allegations
 22 asserted in the Litigation. Wachovia has agreed to resolve this Litigation via this Stipulation, but
 23 to the extent this Litigation continues, this Stipulation is deemed void, or the Effective Date
 24 otherwise does not occur, Wachovia does not waive, but rather expressly reserves, all rights to
 25 challenge all such claims and allegations in the Litigation upon all procedural and factual
 26 grounds, including without limitation the ability to challenge class or collective action treatment
 27 on any grounds or assert any and all defenses or privileges. The Class Representative and Class
 28 Counsel agree that Wachovia retains and reserves these rights, and agree not to take positions to

1 the contrary; specifically the Class Representative and Class Counsel agree not to argue or
 2 present any argument, and hereby waive any argument, that Wachovia could not contest class or
 3 collective action certification on any grounds if this Litigation were to proceed.

4 **II. The Parties to this Stipulation.**

5 This Stipulation (with the associated exhibits) is made and entered into by and
 6 among the following Settling Parties: (i) Class Representative Chin (on behalf of himself and
 7 each of the Settlement Class Members), with the assistance and approval of Class Counsel; and
 8 (ii) Wachovia, with the assistance of its counsel of record in the Litigation. The Stipulation is
 9 intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the
 10 Released Claims upon and subject to the terms and conditions hereof. This Stipulation is also
 11 intended to result in the dismissal with prejudice of the Litigation, as amended for settlement
 12 purposes as set forth below.

13 **III. The Litigation.**

14 On January 29, 2008, Class Representative Chin filed *Chin v. Wachovia Financial*
 15 *Services, Inc., et al.*, Case No. 4:08-cv-00684-CW (the “Lead Action”), in the United States
 16 District Court for the Northern District of California. In the Lead Action, Ronald Chin seeks to
 17 certify a Rule 23 class action on behalf of himself and others allegedly similarly situated in
 18 California, and alleges that the defendants violated certain state employment laws, including
 19 without limitation the California Labor Code, the California Industrial Welfare Commission
 20 Wage Orders, and the California Business and Professions Code, by purportedly (a) failing to pay
 21 regular and overtime wages for all hours worked; (b) failing to provide meal and rest periods; (c)
 22 failing to provide properly itemized wage statements; and (d) failing to make timely payment of
 23 wages.

24 On January 29, 2008, Class Representative Chin also filed a separate action, *Chin*
 25 *v. Wachovia Financial Services, Inc., et al.*, Case No. RG08368375 (the “PAGA Action”), in the
 26 Superior Court of the State of California for the County of Alameda. On March 7, 2008, the
 27 defendants removed the PAGA Action to the United States District Court for the Northern
 28 District of California, and on March 21, 2008, the District Court ruled that the PAGA Action is

1 related to the Lead Action. The PAGA Action has been given the case number 4:08-cv-01320-
 2 CW and assigned to the same judge as the Lead Action, the Honorable Claudia Wilken.

3 The PAGA Action and the Lead Action both initially named the same nine
 4 defendants: Wachovia Financial Services, Inc.; Wachovia Mortgage Corporation; Wachovia
 5 Shared Resources, LLC (erroneously sued as Wachovia Services, Inc.); World Mortgage
 6 Company; Wachovia Commercial Mortgage, Inc.; World Savings, Inc.; Wachovia Equity
 7 Servicing, LLC; Wachovia Bank, N.A.; and Wachovia Corporation. In the PAGA Action,
 8 Ronald Chin alleges the same types of violations as he does in the Lead Action, although the
 9 PAGA action seeks to recover penalties pursuant to California Labor Code sections 2699, *et seq.*
 10 (the Labor Code Private Attorneys General Act of 2004) (“PAGA”) on behalf of other
 11 purportedly aggrieved employees.

12 After the Litigation was filed, the defendants responded to various formal
 13 discovery requests propounded by Ronald Chin and produced copies of various policies and
 14 personnel files to Mr. Chin. The defendants have also provided detailed responses to various
 15 additional information requests from Class Counsel, including data regarding the putative class.
 16 During the course of this formal discovery and other information sharing, through counsel
 17 experienced in these types of cases, the Settling Parties began a series of arms-length negotiations
 18 that led to the scheduling of a mediation with professional mediator David A. Rotman, Esq. On
 19 December 12, 2008, the Settling Parties held a mediation session in San Francisco, California
 20 with Mr. Rotman, and they reached the conditional agreement more fully reflected herein.

21 The complaints in the Lead Action and the PAGA Action have been amended in
 22 accordance with this settlement agreement. Specifically, the class definitions in each action have
 23 been modified to match the class set forth herein, and the complaints have added Defendant
 24 Wachovia Mortgage, FSB, for purposes of effectuating this settlement.

25 This Stipulation is intended to result in the creation of a class of all persons
 26 employed as a full-time hourly Telefi/ELOC Loan Representative by World Mortgage Company
 27 or Wachovia at a call center in San Leandro, California, at any point during the period from
 28 January 29, 2004 through the date preliminary approval of the settlement is granted. As such, this

1 Stipulation will result in the dismissal with prejudice of the Litigation, and the release of all
 2 Released Claims for all Settlement Class Members. Class Representative Chin will also execute a
 3 general release of all claims.

4 **IV. Defendants' Denial of Wrongdoing or Liability.**

5 Wachovia and the Wachovia Releasees deny all of the claims and contentions
 6 alleged by the Class Representative in the Litigation. Nonetheless, Wachovia has concluded that
 7 further conduct of the Litigation would be protracted and expensive, and that it is desirable that
 8 the Litigation be fully and finally settled in the manner and upon the terms and conditions set
 9 forth in this Stipulation. Wachovia has also taken into account the uncertainty and risks inherent
 10 in any litigation. Wachovia has therefore determined that it is desirable and beneficial to it that
 11 the Litigation be settled in the manner and upon the terms and conditions set forth in this
 12 Stipulation.

13 **V. Claims of the Class Representative and Benefits of Settlement.**

14 The Class Representative and Class Counsel believe that the claims asserted in the
 15 Litigation have merit and that evidence developed to date supports the claims. Nonetheless, the
 16 Class Representative and Class Counsel recognize and acknowledge the expense and length of the
 17 type of continued proceedings necessary to prosecute the Litigation against Wachovia through
 18 trial and through appeals. The Class Representative and Class Counsel have also taken into
 19 account the uncertain outcome and the risk of any litigation, as well as the difficulties and delays
 20 inherent in litigation. Based upon their evaluation, the Class Representative and Class Counsel
 21 have determined that the settlement set forth in the Stipulation is in the best interests of the Class
 22 Representative and the Settlement Class.

23 **VI. Terms of Stipulation and Agreement of Settlement.**

24 NOW, THEREFORE, IT IS HEREBY FURTHER STIPULATED AND
 25 AGREED by and between the Class Representative (for himself and the Settlement Class
 26 Members) and Wachovia, with the assistance of their respective counsel or attorneys of record,
 27 that, as among the Settling Parties, including all Settlement Class Members, the Litigation and the
 28 Released Claims shall be finally and fully compromised, settled and released, and the Litigation

1 shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and
 2 conditions of the Stipulation and the Judgment.

3 1. Definitions.

4 As used in all parts of this Stipulation, the following terms have the meanings
 5 specified below:

6 1.1 “Claims Administrator” means the third-party claims administration firm
 7 of Rust Consulting, Inc.

8 1.2 “Class” means the collective group of Persons who were employed by
 9 Wachovia or World Mortgage Company in the position of Telefi/ELOC Loan Representative at
 10 the call center located at 794 Davis Street, San Leandro, California, during the Class Period. The
 11 Class consists of approximately 105 people. The Class does not include any Persons who were
 12 never employed by Wachovia or World Mortgage Company or another Wachovia predecessor
 13 entity as a Telefi/ELOC Loan Representative at the San Leandro, California call center during the
 14 Class Period.

15 1.3 “Class Counsel” means the law firm Initiative Legal Group LLP.

16 1.4 “Class Member” means a Person who is a member of the Class.

17 1.5 “Class Period” means the period from and including (a) January 29, 2004
 18 through and including (b) the Preliminary Approval Date.

19 1.6 “Class Representative” or “the Class Representative” means Ronald Chin.

20 1.7 “Court” means the United States District Court for the Northern District of
 21 California.

22 1.8 “Effective Date” means the date on which the Judgment becomes Final.

23 1.9 “Final” means the latest of: (i) the date of final affirmance on an appeal of
 24 the Judgment; (ii) the date of final dismissal with prejudice of the last pending appeal from the
 25 Judgment; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of
 26 any form of valid appeal from the Judgment. Notwithstanding the foregoing, any proceeding or
 27 order, or any appeal or petition for a writ pertaining solely to the award of attorneys’ fees or costs
 28 shall not, by itself, in any way delay or preclude the Judgment from becoming Final.

1 1.10 “Judgment” means the judgment to be rendered by the Court pursuant to
 2 this Stipulation, substantially in the form attached hereto as Exhibit 4.

3 1.11 “Last Known Address” or “Last Known Addresses” means the most
 4 recently recorded mailing address for a Class Member as such information is contained in
 5 employment or personnel records maintained by Wachovia.

6 1.12 The “Lead Action” shall mean the lawsuit entitled *Chin v. Wachovia*
 7 *Financial Services, Inc., et al.*, United States District Court for the Northern District of California,
 8 Case No. 4:08-cv-00684-CW.

9 1.13 The “Litigation” shall mean, collectively, the Lead Action and the PAGA
 10 Action.

11 1.14 “Maximum Settlement Amount” shall mean the maximum gross amount
 12 that Wachovia shall pay under the terms of this Stipulation, which is \$450,000. The specific
 13 components of this Maximum Settlement Amount are: (a) the maximum gross amount for
 14 payments to Participating Claimants, which is \$266,250; (b) the total, maximum amount for Class
 15 Counsel’s attorneys’ fees, which is \$150,000; (c) up to \$10,000 for the Class Representative’s
 16 taxable litigation costs; (d) the maximum gross amount for claims administration costs, which is
 17 \$10,000; (e) the enhancement payment to the Class Representative, Ronald Chin, which is
 18 \$10,000; and (f) the maximum gross amount for payment to the California Labor Workforce
 19 Development Agency pursuant to the California Labor Code Private Attorney General Act, which
 20 is \$3,750.

21 1.15 “Maximum Settlement Portion for Payments to Participating Claimants”
 22 shall mean the amount that shall be paid by Wachovia if all Class Members become Participating
 23 Claimants by submitting Qualifying Settlement Claim Forms, and this Maximum Settlement
 24 Portion for Payments to Participating Claimants shall be \$266,250.

25 1.16 “Notice to Class Members” or “Class Notice” means a notice (and
 26 associated response forms) entitled “Notice to Class Members re: Pendency of a Class Action and
 27 Notice of Hearing on Proposed Settlement” to be approved by the Court, substantially in the form
 28 attached hereto as Exhibit 2.

1 1.17 The “Notice Mailing Deadline” shall be the date thirty (30) days after the
2 Preliminary Approval Date.

3 1.18 The “Notice Response Deadline” shall be the date sixty (60) days after the
4 Class Notice is mailed to the Class Members by the Claims Administrator.

5 1.19 “Opt Out” or “Opt Outs” means written and signed requests by Class
6 Members to be excluded from the Settlement Class, which are submitted on the forms, in the
7 manner, and within the time set forth in the Notice to Class Members.

8 1.20 “Order of Final Approval” or “Order Granting Final Approval of
9 Settlement” shall mean an order to be entered and filed by the Court entitled “Order Determining
10 Good Faith and Granting Final Approval of Settlement,” substantially in the form attached hereto
11 as Exhibit 3.

12 1.21 The “PAGA Action” shall mean the lawsuit entitled *Chin v. Wachovia*
13 *Financial Services, Inc., et al.*, United States District Court for the Northern District of California,
14 Case No. 4:08-cv-01320-CW (originally filed in the Superior Court of the State of California for
15 the County of Alameda, Case No. RG08368375).

16 1.22 “Participating Claimant” or “Participating Claimants” means each
17 Settlement Class Member who submits a Qualifying Settlement Claim Form in response to the
18 Notice to Class Members.

19 1.23 “Person” means a natural person.

20 1.24 “Preliminary Approval Date” shall mean the date on which the Court enters
21 the Preliminary Approval Order.

22 1.25 “Preliminary Approval Order” or “Order Granting Preliminary Approval of
23 Settlement and Setting a Settlement Hearing” shall mean an order to be executed and filed by the
24 Court entitled “Order Granting Preliminary Approval of Settlement and Setting a Settlement
25 Hearing,” substantially in the form attached hereto as Exhibit 1.

26 1.26 A “Qualifying Settlement Claim Form” or “Qualifying Claim Form” shall
27 mean a Settlement Claim Form that (a) is completed, properly executed and timely returned to the
28 Claims Administrator, *i.e.*, returned with a postmark on or before the Notice Response Deadline;

1 and (b) confirms eligibility to participate, *i.e.*, the second check box on the Settlement Claim
2 Form (representing a wage payment and/or meal or rest period violation) is marked and the first
3 check box is not.

4 1.27 A “Qualifying Work Week” is any calendar week during the Class Period
5 in which a Class Member was employed as a full-time hourly Telefi/ELOC Loan Representative
6 by World Mortgage Company or Wachovia at the call center located at 794 Davis Street, San
7 Leandro, California. A Class Member need not have worked during the entire calendar week
8 period for it to qualify as a Qualifying Work Week. The Settling Parties agree that the total
9 number of Qualifying Work Weeks worked by the Class will be approximately 9,030.

10 1.28 A “Reasonable Address Verification Measure” shall mean the utilization of
11 the National Change of Address Database maintained by the United States Postal Service to
12 review the accuracy of and, if possible, update a mailing address.

13 1.29 “Released Claims” shall collectively mean any and all claims, including
14 without limitation Unknown Claims as defined in Paragraph 1.40 hereof, demands, rights,
15 liabilities and causes of action of every nature and description whatsoever by a Class Member
16 relating to his or her employment in California with, or termination from employment in
17 California with, Wachovia, or any of its affiliates, including without limitation statutory,
18 constitutional, contractual or common law claims, whether known or unknown, whether or not
19 concealed or hidden, against the Wachovia Releasees, or any of them, that accrued during the
20 Class Period for any type of relief, including without limitation claims for wages, damages,
21 unpaid costs, penalties, liquidated damages, punitive damages, interest, attorney fees, litigation
22 costs, restitution, or equitable relief, based on any of the following categories of allegations: (1)
23 any and all claims for (a) failure to pay regular or premium wages, (b) failure to comply with
24 payroll or wage record-keeping or itemization requirements, (c) failure to provide meal and/or
25 rest periods and/or to pay additional sums of money in lieu thereof, and (d) failure to timely pay
26 wages due at termination or otherwise; (2) any and all statutory claims arising from the categories
27 of allegations set forth above in Paragraph 1.29(1), including without limitation claims under the
28

1 Fair Labor Standards Act (“FLSA”),¹ the Portal to Portal Act, California Labor Code sections
 2 203, 218, 218.5, 226.7, 512, 1194 and 2698 *et seq.* and California Business & Professions Code
 3 section 17200 *et seq.*; (3) any and all claims arising from the categories of allegations set forth
 4 above in Paragraph 1.29(1) for penalties or liquidated damages, including without limitation
 5 claims under the FLSA or Portal to Portal Act or California Labor Code sections 203, 226, 226.7,
 6 512, 1194, and 2698 *et seq.*; and (4) any and all claims arising from the categories of allegations
 7 set forth above in Paragraph 1.29(1) for interest, costs, or attorney fees; and (5) to the extent not
 8 covered above, any and all claims pled in the Litigation. (The Settling Parties understand and
 9 agree that the Released Claims include claims under the California Private Attorney Generals Act
 10 of 2004, codified at Cal. Labor Code section 2698 *et seq.*, for which the Class was granted
 11 additional consideration in the amount of \$5,000, which is included in the Maximum Settlement
 12 Amount and \$3,750 of which shall be paid to the California Labor and Workforce Development
 13 Agency.)

14 1.30 “Ronald Chin” or “Class Representative Chin” means Ronald Chin, an
 15 individual and the plaintiff who commenced the Lead Action and the PAGA Action.

16 1.31 “Settlement Claim Form” or “Claim Form” shall mean the form attached as
 17 Form C to the Notice to Class Members, in the same or substantially the same manner as set forth
 18 in Exhibit 2.

19 1.32 “Settlement Class” means the collective group of all of the Class Members
 20 who do not opt out of the Settlement Class by submitting Opt Outs pursuant to Paragraph 2.5.2,
 21 and thus means the collective group of all of the Class Members who will become subject to and
 22 bound by the Judgment if the Effective Date occurs.

23 1.33 “Settlement Class Member” means any Person who is a member of the
 24 Settlement Class.

25
 26 ¹ Although all other Released Claims are released by all Settlement Class Members, the Settling
 27 Parties agree that direct FLSA claims, as opposed to state law claims predicated on the FLSA such as
 28 claims under California Business & Professions Code section 17200 (which are Released Claims), are
 released with respect to Participating Claimants only. Class members who do not file Claim Forms will
 not be deemed to have released direct FLSA claims.

1 1.34 “Settlement Hearing” means a hearing set by the Court to take place on or
 2 about the date which is fifty-five (55) days after the Notice Response Deadline for the purpose of
 3 (i) determining the fairness, adequacy and reasonableness of the Stipulation and associated
 4 settlement pursuant to class action procedures and requirements; (ii) determining the good faith of
 5 the Stipulation and associated settlement; (iii) awarding attorneys’ fees and costs; and (iv)
 6 entering Judgment.

7 1.35 “Settlement Sum” means the total, gross amount due to an individual Class
 8 Member if he or she becomes a Class Member and if he or she becomes a Participating Claimant,
 9 which shall be the product of his or her Settlement Variable multiplied by the number of
 10 Qualifying Work Weeks worked by him or her. Because of the withholdings described in
 11 Paragraph 2.2.1, the amount received by each participating Claimant will be less than his or her
 12 Settlement Sum.

13 1.36 “Settlement Variable” shall be the quotient of \$266,250 divided by the total
 14 number of Qualifying Work Weeks worked by Class Members. For purposes of illustration, it is
 15 understood and agreed that, if the total number of Qualifying Work Weeks is 9,030, then the
 16 Settlement Variable will be \$29.49.

17 1.37 “Settling Parties” means (a) Wachovia; and (b) the Class Representative on
 18 behalf of himself and all Members of the Settlement Class.

19 1.38 “Stipulation” means this agreement, the Stipulation Re: Settlement of Class
 20 Action and all of its attachments and exhibits, which the Settling Parties understand and agree
 21 sets forth all material terms and conditions of the Settlement between them, and which is subject
 22 to Court approval. It is understood and agreed that Wachovia’s obligations for payment under
 23 this Stipulation are conditioned on, *inter alia*, the occurrence of the Effective Date.

24 1.39 “Telefi/ELOC Loan Representative” shall mean the position of
 25 Telefi/ELOC Loan Representative as that term is or was commonly used at Wachovia or World
 26 Mortgage Company, including the following specific positions: Loan Representative I –
 27 Telefi/ELOC (Job Code 57-800, Grade 024); Loan Representative II – Telefi/ELOC (Job Code
 28 57-801, Grade 025); Loan Representative Sr. – Telefi/ELOC (Job Code 57-802, Grade 026);

1 Loan Representative Exec – Telefi/ELOC (Job Code 57-803, Grade 027); and Loan
2 Representative Exec Sr. – Telefi/ELOC (Job Code 57-804, Grade 028).

3 1.40 “Unknown Claims” means any Released Claims which the Class
4 Representative or any Settlement Class Member does not know or suspect to exist in his or her
5 favor at the time of the entry of the Judgment, and which, if known by him or her might have
6 affected his or her settlement with and release of the Wachovia Releasees, or might have affected
7 his or her decision to opt out of the Class or to object to this settlement. With respect to any and
8 all Released Claims, and only Released Claims, the Settling Parties stipulate and agree that, upon
9 the Effective Date, the Class Representative shall expressly waive, and each of the Settlement
10 Class Members shall be deemed to have, and by operation of the Judgment shall have, waived the
11 provisions, rights and benefits of California Civil Code § 1542, which provides:

12 A general release does not extend to claims which the creditor does not
13 know or suspect to exist in his or her favor at the time of executing the
14 release, which if known by him or her must have materially affected his or
15 her settlement with the debtor.

16 The Class Representative and each Settlement Class Member may hereafter discover facts in
17 addition to or different from those which he or she now knows or believes to be true with respect
18 to the subject matter of the Released Claims, but the Class Representative and each Settlement
19 Class Member, upon the Effective Date, shall be deemed to have, and by operation of the
20 Judgment shall have, fully, finally, and forever settled and released any and all Released Claims,
21 known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not
22 concealed or hidden, which then exist, or heretofore have existed upon any theory of law or
23 equity now existing or coming into existence in the future, including, but not limited to, conduct
24 which is negligent, intentional, with or without malice, or a breach of any duty, law or rule,
25 without regard to the subsequent discovery or existence of such different or additional facts. The
26 Class Representative acknowledges, and the Settlement Class Members shall be deemed by
27 operation of the Judgment to have acknowledged, that the foregoing waiver was separately
28 bargained for and a key element of the settlement of which this release is a part.

1 1.41 “Updated Address” means a mailing address that was updated via a
 2 Reasonable Address Verification Measure or via an updated mailing address provided by the
 3 United States Postal Service or a Class Member.

4 1.42 “Wachovia” means Wachovia Mortgage, FSB, an FDIC insured bank held
 5 by Wachovia Corporation, and headquartered in Nevada.

6 1.43 “The Wachovia Releasees” means Wachovia, each of its affiliates
 7 (including without limitation Wachovia Corporation and all Wachovia entities), predecessors
 8 (including without limitation World Mortgage Company and World Savings, Inc.), successors,
 9 divisions, joint ventures and assigns, and each of these entities’ past or present directors, officers,
 10 employees, partners, members, principals, agents, ERISA plans, ERISA plan administrators,
 11 insurers, co-insurers, re-insurers, shareholders, attorneys, personal or legal representatives.

12 2. The Settlement.

13 2.1 *Consideration to Settlement Class Members*

14 2.1.1 Wachovia, itself or through the Claims Administrator, and according
 15 to the terms, conditions and procedures set forth in this section of this Stipulation, shall pay each
 16 Participating Claimant his or her Settlement Sum. To the extent administratively convenient,
 17 these payments shall be paid via one check. The Settlement Sums shall be allocated for tax
 18 reporting reasons as set forth below: (a) fifty percent (50%) shall be deemed payment in
 19 settlement of claims for unpaid wages; and (b) fifty percent (50%) shall be deemed payment in
 20 settlement of claims for penalties, interest and all other non-wage recovery.

21 2.1.2 As further detailed in this Section 2 for each payment made pursuant
 22 to this Section 2, Wachovia, itself or through the Claims Administrator, will report each
 23 payment to government authorities including the Internal Revenue Service as required by law,
 24 and it shall make all required deductions and/or withholdings.

25 2.2 *Taxes*

26 2.2.1 Those payments (or portions thereof) allocated to the settlement of
 27 claims for unpaid wages (a) shall be subject to required withholdings and deductions, and so the
 28 net amounts payable will be less than the gross amounts; and (b) shall be reported in the year of

1 payment as wage income to the Participating Claimant on a Form W-2 or analogous form.
2 Those payments (or portions thereof) allocated to all other claims, including without limitations
3 claims for penalties, interest and other non-wage recovery (a) shall not be subject to
4 withholdings and deductions, and so the net amounts payable will be equal to the gross amounts;
5 and (b) shall be reported in the year of payment as non-wage income to the Participating
6 Claimants on a Form 1099 or analogous form. Other than as set forth above, Wachovia will not,
7 unless otherwise required by law, make, from the Settlement Sum of each Participating
8 Claimant, any deductions, withholdings or additional payments, including without limitation,
9 medical or other insurance payments or premiums, employee 401(k) contributions or matching
10 employer contributions, wage garnishments, or charity withholdings, and entry of the Order of
11 Final Approval by the Court shall be deemed authority not to make such deductions,
12 withholdings or additional payments. Any amount paid to Participating Claimants shall not
13 create any credit or otherwise affect the calculation of any deferred compensation, benefit or
14 other compensation plan provided by Wachovia.

15 2.2.2 Other than the withholding and reporting requirements set forth in
16 Paragraphs 2.1.2 and 2.2.1 and the employer's standard share of payroll tax liability for the
17 portions of the payments characterized as wage payments, which will be funded through
18 adjustments to the Settlement Sums of the Participating Claimants, Participating Claimants shall
19 be solely responsible for the reporting and payment of any federal, state and/or local income or
20 other tax or any other withholdings, if any, on any of the payments made pursuant to this
21 Stipulation. Wachovia makes no representations, and it is understood and agreed that Wachovia
22 has made no representations, as to the taxability of any portions of the settlement payments to
23 any Participating Claimants, the payment of any costs or an award of attorneys' fees, any
24 payments to the Class Representative or any other payments made pursuant to this Stipulation.
25 The Notice to Class Members will advise Class Members to seek their own tax advice prior to
26 acting in response to that notice, and the Class Representative and Class Counsel agree that
27 Class Members will have an adequate opportunity to seek tax advice prior to acting in response
28 to the notice.

1 2.3 *Court Approval of Notice to the Class and Scheduling of a Settlement
2 Hearing.*

3 2.3.1 Within thirty (30) days of the final execution of this Stipulation, the
4 Class Representative and Wachovia, through their counsel of record in the Litigation, shall file
5 this Stipulation with the Court in the Lead Action and jointly move for preliminary approval of
6 this Stipulation. Via this submission, and a supporting motion, the Settling Parties, through their
7 counsel of record, will request that the Court in the Lead Action enter the Preliminary Approval
8 Order thereby scheduling the Settlement Hearing for the purposes of determining the good faith
9 with regard to the settlement, granting final approval of the settlement, granting final approval of
10 this Stipulation and entering Judgment. Via this submission, the Class Representative, through
11 Class Counsel, shall advise the Court of the agreements set forth in Paragraphs 2.8.1 and 2.8.2 of
12 this Stipulation.

13 2.3.2 Subject to Court availability, the Class Representative and Wachovia
14 shall endeavor to notice the joint motion for entry of the Preliminary Approval Order described
15 in Paragraph 2.3.1 for a hearing before the Court within thirty-five (35) days of filing. Failure of
16 the Court to enter the Preliminary Approval Order in its entirety or in a substantially similar
17 form following the full efforts of the Settling Parties to obtain such entry will be grounds for the
18 Settling Parties to terminate the settlement and the terms of this Stipulation.

19 2.3.3 If the Court enters the Preliminary Approval Order more than forty-
20 five (45) days after the Settling Parties file a motion for preliminary approval, Class Counsel and
21 counsel for Wachovia shall meet and confer to reach agreement on any necessary revisions of
22 the deadlines and timetables set forth in this Stipulation. In the event that the Settling Parties
23 fail to reach such agreement, any of the Settling Parties may apply to the Court via an
24 administrative motion for modification of the dates and deadlines in this Stipulation, provided
25 that such a request to the Court may seek only reasonable modifications of the dates and
26 deadlines contained in this Stipulation and no other changes.

27 2.3.4 If the Court enters the Preliminary Approval Order, then at the
28 resulting Settlement Hearing, the Class Representative and Wachovia, through their counsel of

1 record, shall address any written objections from Class Members, any concerns from Class
 2 Members who attend the hearing and any concerns of the Court. The Settling Parties shall and
 3 hereby do, unless provided otherwise in this Stipulation, stipulate to final approval of this
 4 Stipulation and entry of the Judgment by the Court.

5 2.4 *Notice to Class Members.*

6 2.4.1 If, by entering the Preliminary Approval Order, the Court provides
 7 authorization to send the Class Notice to Class Members, Wachovia, through its counsel of
 8 record and/or the Claims Administrator, will facilitate the mailing of the Class Notice to all
 9 Class Members at their Last Known Addresses. This Class Notice shall be mailed via first class
 10 mail through the United States Postal Service, postage pre-paid. The Claims Administrator shall
 11 provide weekly or bi-weekly reports on the status of the mailings and responses.

12 2.4.2 This Class Notice and its envelope or covering shall be marked to
 13 denote the return address of the Claims Administrator as listed on the forms of the Class Notice.
 14 The Class Notice mailed to Class Members shall contain the Class Notice, with forms A, B, and
 15 C, and no other materials or documents.

16 2.4.3 Wachovia shall prepare (and provide to the Claims Administrator
 17 only) the name, Last Known Address, and number of Qualifying Work Weeks for each Class
 18 Member for the Claims Administrator so that the Claims Administrator can calculate potential
 19 Settlement Sums for Class Members and engage in the processing and mailing of each Class
 20 Notice.

21 2.4.4 Prior to mailing the Class Notice to each Class member, the Claims
 22 Administrator shall undertake a Reasonable Address Verification Measure to ascertain the
 23 current accuracy of the Last Known Address of each Class Member. To the extent this process
 24 yields an Updated Address, that Updated Address shall replace the Last Known Address and be
 25 treated as the new Last Known Address for purposes of this Stipulation and for subsequent
 26 mailings in particular.

27 2.4.5 Prior to mailing the Class Notice to each Class Member, the Claims
 28 Administrator shall include in the space provided on each Class Notice the number of

1 Qualifying Work Weeks for each Class Member as well as an individualized statement on each
2 recipients potential recovery. To the extent a Participating Claimant disputes the number of
3 Qualifying Work Weeks for which he or she has been credited, that individual may present his
4 or her dispute to the Claims Administrator or Class Counsel, provided he or she does so before
5 the Notice Response Deadline. In the case of such a dispute, the Settling Parties and the affected
6 Class Member (through Class Counsel) will attempt to resolve the dispute prior to raising it with
7 the Court. In the event that such disputes concerning the number of credited Qualifying Work
8 Weeks result in agreement(s) and/or Court order(s) that cause an increase in the total number of
9 Qualifying Work Weeks listed in Paragraph 1.27 by more than 20%, then either of the Settling
10 Parties will have the option to void the settlement unless Wachovia agrees to make payments to
11 the affected Participating Claimants in the amount of their revised Settlement Sums. No
12 disputes concerning a Class Member's number of Qualifying Work Weeks will be honored if
13 first presented to the Claims Administrator or Class Counsel after the Notice Response
14 Deadline.

15 2.4.6 Each of the Notices shall be mailed to the Last Known Addresses of
16 the Class Members no later than the Notice Mailing Deadline.

17 2.4.7 All costs of the mailing described in Paragraph 2.4.1, which shall be
18 the fees charged by the Claims Administrator, the cost of the envelope in which the Class Notice
19 will be mailed, the cost of reproducing the Class Notice, and the cost of postage to send the
20 Class Notice, shall be paid by Wachovia and shall be deducted from the Maximum Settlement
21 Amount. No other materials besides the Class Notice will be included in this mailing to Class
22 Members.

23 2.4.8 Unless the Claims Administrator receives a Class Notice returned
24 from the United States Postal Service for reasons discussed below in this paragraph, that Class
25 Notice shall be deemed mailed and received by the Class Member to whom it was sent five days
26 (5) days after mailing. In the event that subsequent to the first mailing of a Class Notice and
27 prior to the deadline for a response, that Class Notice is returned to the Claims Administrator by
28 the United States Postal Service with a forwarding address for the recipient, the Claims

1 Administrator shall re-mail the notice to that address, the notice will be deemed mailed at that
 2 point, and the forwarding address shall be deemed the Updated Address for that Class Member.
 3 In the event that subsequent to the first mailing of a Class Notice, and prior to the Notice
 4 Response Deadline, that Notice is returned to the Claims Administrator by the United States
 5 Postal Service because the address of the recipient is no longer valid, *i.e.*, the envelope is
 6 marked “Return to Sender,” the Claims Administrator shall perform a standard skip trace in an
 7 effort to attempt to ascertain the current address of the particular Class Member in question and,
 8 if such an address is ascertained, the Claims Administrator will re-send the Notice as soon as
 9 feasible after receiving such information; if no Updated Address is obtained for that Class
 10 Member, the Class Notice shall be sent again to the Last Known Address. In either event, the
 11 Class Notice shall be deemed received once it is mailed for the second time. Nothing in this
 12 Paragraph shall be deemed to extend the Notice Response Deadline.

13 2.4.9 To the extent a Class Member has not submitted to the Claims
 14 Administrator some form of written response to the Class Notice, *i.e.*, a change of address form,
 15 an opt out form or a Claim Form, by the date that is twenty (20) days before the Notice
 16 Response Deadline, the Claims Administrator shall send that Class Member a postcard (a)
 17 referencing the name of the Litigation; (b) stating that the Class Member previously received a
 18 notice in this action; (c) providing an address for the Claims Administrator and stating that the
 19 Class Member can write the Claims Administrator to receive an additional copy of the notice;
 20 and (d) stating that the deadline for responding to the notice itself is approaching. The postcard
 21 shall not contain additional information or statements. Nothing in this Paragraph 2.4.9 shall be
 22 construed to extend the Notice Response Deadline for any Class Member.

23 2.5 *Responses to the Notice to Class Members; Motion for Final Approval.*

24 2.5.1 Class Members have the option to participate in this Lawsuit at their
 25 own expense by obtaining their own attorney(s). Class Members who choose this option will be
 26 responsible for any attorney fees or costs incurred as a result of this election. The Class Notice
 27 will advise Class Members of this option.

1 2.5.2 Class Members may elect to “opt out” of the Settlement Class and
2 thus exclude themselves from the Settlement Class. Class Members who wish to exercise this
3 option must fully complete, execute and mail, per the instructions therein, the form entitled
4 “Election to Opt Out of Settlement and Class Action” attached to the Class Notice as Form B. If
5 a fully completed and properly executed Opt Out is not received by the Claims Administrator
6 from a Class Member postmarked on or before the Notice Response Deadline, then that Class
7 Member will be deemed to have forever waived his or her right to opt out of the Settlement
8 Class. Class Members who do not properly submit Opt Outs shall be deemed Members of the
9 Settlement Class. Class Members who do properly submit Opt Outs shall have no further role in
10 the Litigation, and for all purposes they shall be regarded as if they never were a party to this
11 Litigation.

12 2.5.3 Class Members who do not opt out of the Settlement Class pursuant to
13 Paragraph 2.5.2 may also object to the Stipulation by submitting written objections to Class
14 Counsel (either directly or via the Claims Administrator) no later than the Notice Response
15 Deadline. The Class Notice shall advise Class Members of this option. Class Counsel shall
16 immediately provide any such objections to Wachovia and subsequently the Court in the final
17 approval process.

18 2.5.4 Class Members who do not opt out of the Settlement Class pursuant to
19 Paragraph 2.5.2 may elect to become Participating Claimants. Class Members who wish to
20 exercise this option must establish their entitlement to payment under the settlement by fully
21 complete, execute and mail, per the instructions therein, the form entitled “Settlement Claim
22 Form” attached to the Class Notice as Form C. If a Class Member submits an incomplete or
23 otherwise procedurally defective Settlement Claim Form, the Claims Administrator shall send
24 them a cure letter giving him or her fifteen (15) days to cure the defect, and absent such cure, the
25 Class Member shall be deemed a Non-Settlement Class Members. If a completed and properly
26 executed Settlement Claim Form is not received by the Claims Administrator from a Class
27 Member and postmarked on or before the Notice Response Deadline, then that Class Member
28 will be deemed to have forever waived his or her right to be a Participating Claimant and receive

1 payment under this settlement. As long as they do not properly submit Opt Outs, Class
2 Members who do not submit Settlement Claim Forms in a timely and proper fashion shall be
3 deemed Members of the Settlement Class and shall be subject to the Judgment. Only
4 Participating Claimants shall be entitled to payment pursuant to the Judgment. It is agreed and
5 understood that if all Class Members become Participating Claimants, then Wachovia will pay a
6 total gross amount of \$266,250 to all Participating Claimants, but if fewer than one hundred
7 percent of Class Members become Participating Claimants, then Wachovia will pay less than
8 \$266,250 to Participating Claimants. For Class Members who execute or have executed
9 severance agreements and associated releases on or before the Preliminary Approval Date, those
10 severance agreements and associated releases will not affect the Class Members' ability to
11 submit a Settlement Claim Form, become Participating Claimants and receive their Settlement
12 Sums under this Stipulation. To the extent Class Members opt out of the settlement, the Settling
13 Parties understand and explicitly agree that Wachovia reserves the right to argue that the claims
14 of the Opt Outs are barred by any severance agreements and associated releases executed by
15 those individuals. If this Stipulation is not approved, the Settling Parties understand and
16 explicitly agree that Wachovia has not waived its right to argue in future litigation that such
17 severance agreements and associated releases do preclude some or all of the claims at issue in
18 the Litigation, and that Plaintiff and Class Members have not waived their rights to argue in
19 future litigation that such severance agreements and associated releases do not preclude some or
20 all of the claims at issue in the Litigation .

21 2.5.5 A Class Member who submits a Settlement Claim Form and an Opt
22 Out prior to the Notice Response Deadline shall be sent a cure letter by the Claims
23 Administrator seeking clarification of which response they want to submit. Absent a cure within
24 fifteen (15) days of the cure letter or until the Notice Response Deadline, whichever is later, the
25 Class Member will be deemed a Participating Claimant. Class Members who submit incomplete
26 Settlement Claim Forms or Opt Outs or Change of Address Forms shall be notified by the
27 Claims Administrator and given an additional fifteen (15) days or until the Notice Response
28

1 Deadline, whichever is later, to cure such deficiencies provided the original submission was
 2 submitted on or prior to the Notice Response Deadline.

3 2.5.6 Class Members who, for future reference and mailings from the Court
 4 or Claims Administrator, if any, wish to change the name or address listed on the envelope in
 5 which the Class Notice was first mailed to them, must fully complete, execute and mail, per the
 6 instructions therein, the form entitled “Change of Name or Address Information” attached to the
 7 Class Notice as Exhibit A.

8 2.5.7 Prior to the Settlement Hearing and consistent with the rules imposed
 9 by the Court, the Class Representative and Wachovia shall jointly move the Court for entry of
 10 the Order of Final Approval (and the associated entry of Judgment). Through this motion, the
 11 Settling Parties shall advise the Court of the agreements in Paragraphs 2.8.1 and 2.8.2 of this
 12 Stipulation. The Class Representative and Class Counsel shall be responsible for justifying the
 13 agreed upon payments set forth in Paragraphs 2.8.1 and 2.8.2 of this Stipulation. To the extent
 14 possible, the motion seeking entry of the Order of Final Approval shall be noticed for the same
 15 day as the Settlement Hearing. The Settling Parties shall take all reasonable efforts to secure
 16 entry of the Order of Final Approval. If the Court rejects the Stipulation, fails to enter the Order
 17 of Final Approval, or fails to enter the Judgment, this Stipulation shall be void *ab initio*, and
 18 Wachovia shall have no obligations to make any payments under the Stipulation.

19 2.6 *Timing of Payment to Participating Claimants and Notice of Final
 20 Approval to Settlement Class Members.*

21 2.6.1 Within sixty (60) days of and only after the Effective Date, Wachovia,
 22 through the Claims Administrator, shall pay to each Participating Claimant his or her relevant
 23 Settlement Sum.

24 2.6.2 In accordance with the terms of Paragraphs 2.1.1 and 2.1.2,
 25 Wachovia, through the Claims Administrator, shall issue to each Participating Claimant one
 26 check (or more if necessary for administrative convenience) payable to the Participating
 27 Claimant, from Wachovia (or from an account administered by the Claims Administrator but
 28 funded by Wachovia) for the gross amount of the Settlement Sum, less relevant withholdings

1 and adjustments for payroll taxes per Paragraph 2.2.2. Wachovia, through the Claims
 2 Administrator, shall mail this check(s) to each Participating Claimant at his or her Last Known
 3 Address, or Updated Address if obtained.

4 2.6.3 Checks issued to Participating Claimants pursuant to this Agreement
 5 shall remain negotiable for a period of at least ninety (90) days from the date of mailing, and the
 6 funds associated with any checks which are not properly or timely negotiated shall remain the
 7 property of Wachovia and shall not be paid to any Person other than Wachovia. To the extent a
 8 check mailed to a Participating Claimant is returned to the Claims Administrator as
 9 undeliverable without a forwarding address before the 90-day deadline has lapsed, the Claims
 10 Administrator shall perform a standard skip trace to attempt to locate a new address for the
 11 Participating Claimant and then re-send the check to that new address, if obtained. The Settling
 12 Parties hereby agree that such funds represent settlement payments for matters disputed in good
 13 faith, not uncontested wage payments, and they shall not be subject to escheat rules, *cy pres*, or
 14 other distribution not provided for in this Stipulation; any finding to the contrary shall be
 15 grounds for either party to void the agreement. Participating Claimants who fail to negotiate
 16 their check(s) in a timely fashion shall, like all Settlement Class Members, remain subject to the
 17 terms of the Judgment.

18 2.6.4 Following the mailing of the Notices of Final Approval to the
 19 Settlement Class and the payments to Participating Claimants discussed in Paragraph 2.6.2, the
 20 Claims Administrator shall provide counsel with a written confirmation of this mailing. Upon
 21 receipt of this confirmation, Class Counsel will file a notice or acknowledgement of satisfaction
 22 of judgment with the Court in the Litigation on behalf of the Settlement Class.

23 2.7 *Releases and dismissals.*

24 2.7.1 Upon the Effective Date, the Class Representative and each of the
 25 Settlement Class Members (and only these Persons) shall be deemed to have, and by operation
 26 of the Judgment shall have, fully, finally, and forever released, dismissed with prejudice,
 27 relinquished and discharged all Released Claims, including without limitation Unknown Claims.

1 2.7.2 Ronald Chin and Class Counsel and Wachovia agree to seek a stay of
 2 the PAGA Action while the settlement is pending before the Court in the Lead Action for
 3 preliminary and final approval. Ronald Chin, Class Counsel, and Wachovia further agree to file
 4 a stipulation of dismissal of the PAGA Action with prejudice as to Ronald Chin within ten (10)
 5 days of the Effective Date.

6 2.8 *Payment of Costs and Attorneys' Fees and Class Representative
 7 Enhancements.*

8 2.8.1 Class Counsel shall be entitled, subject to Court approval and the
 9 occurrence of the Effective Date, to an award of attorney fees and costs, not to exceed the
 10 amounts specified herein. Not more than sixty (60) days after the Effective Date, and only if the
 11 Effective Date occurs, and subject to Court approval, Wachovia will pay up to \$160,000 total to
 12 Class Counsel for all attorneys' fees and allowable Litigation costs (including up to \$150,000 to
 13 cover attorney fees and up to \$10,000 in allowable Litigation costs). Payments made per this
 14 paragraph shall constitute full satisfaction of any claim for fees or costs, and the Class
 15 Representative and Class Counsel, on behalf of themselves and all Settlement Class Members,
 16 agree that they shall not seek nor be entitled to any additional attorneys' fees or costs under any
 17 theory, and the Class Representative further agrees that these payments will be made directly to
 18 Class Counsel. The Class Representative and Class Counsel agree that they shall be responsible
 19 for justifying the amount of these cost and fee payments to the Court, and they agree to submit
 20 the necessary materials to justify this payment along with the Settling Parties' joint motion for
 21 final approval of the Stipulation pursuant to Paragraph 2.5.7. Wachovia agrees not to oppose
 22 any submission regarding, or request for approval of, this payment of fees or costs provided it is
 23 consistent with this Stipulation. In the event that the Court (or appellate court) awards less than
 24 the maximum amount for attorneys' fees and/or costs, only the awarded amounts shall be paid
 25 and shall constitute satisfaction of the obligations of this paragraph and full payment thereunder,
 26 and any remaining or unawarded portion of the maximum fee and cost awards shall remain the
 27 property of Wachovia. If the Effective Date occurs, Wachovia shall make this payment pursuant
 28 to this Paragraph to Class Counsel directly, and prior to Wachovia making this payment, Class

1 Counsel shall provide counsel for Wachovia with the pertinent taxpayer identification numbers
2 and W-9 forms. Other than any reporting of this fee payment as required by this Stipulation or
3 law, which Wachovia shall make, Class Counsel and the Class Representative shall alone be
4 responsible for the reporting and payment of any federal, state and/or local income or other form
5 of tax on any payment made pursuant to this paragraph. Other than as provided in this
6 Paragraph 2.8.1 for the limited purpose discussed herein, no party shall be deemed the prevailing
7 party for any other purposes of the Litigation.

8 2.8.2 No more than sixty (60) days after the Effective Date, and only in the
9 event that the Effective Date occurs, Wachovia will forward a check payable to Ronald Chin, in
10 his personal capacity only and via his counsel of record, in the gross amount of ten thousand
11 United States dollars. Such payment shall be compensation and consideration for (i) Ronald
12 Chin's efforts as a class representative in the Litigation; and (ii) the execution of a general
13 release of all known or unknown claims of any nature Ronald Chin has against the Wachovia
14 Releasees, an agreement that shall be executed prior to payment under this paragraph. In the
15 event that the Court (or appellate court) awards less than the maximum amount for this
16 enhancement award, only the awarded amounts shall be paid and shall constitute satisfaction of
17 the obligations of this paragraph and full payment thereunder, and any remaining or unawarded
18 portion of the maximum fee and cost awards shall remain the property of Wachovia. Prior to
19 Wachovia making this enhancement payment, Ronald Chin must execute an agreement
20 generally releasing all claims of any nature, known or unknown, that he has against the
21 Wachovia Releasees and any of them. Through this agreement, Ronald Chin agrees to be a
22 Settlement Class Member and a Participating Claimant subject to the Judgment, and in light of
23 this agreement and his implicit certification, it shall not be necessary for him to be sent a Class
24 Notice or for him to complete a Settlement Claim Form. Beyond the enhancement award set
25 forth above, Ronald Chin shall also receive his Settlement Sum as a participating Claimant. The
26 Settling Parties agree that Wachovia shall report the ten thousand dollar payment in the same
27 manner described for non-wage payments in Paragraphs 2.1.1 and 2.2.1 of this Stipulation.
28 Other than the reporting and withholding set forth in this paragraph, Ronald Chin shall be

1 responsible for the reporting and payment of any federal, state and/or local income or other form
2 of tax on any payment made pursuant to this paragraph.

3 2.8.3 Unless otherwise expressly provided, Wachovia shall have no
4 responsibility for, and no liability whatsoever with respect to, the allocation among Ronald
5 Chin, Class Counsel and/or any other Person who may assert some claim thereto, of any award
6 or payment issued or made in the Litigation or pursuant to this Stipulation, including, but not
7 limited to, any award or payment pursuant to Paragraph 2.8.1 or 2.8.2.

8 2.9 *Claims Administrator.*

9 2.9.1 All fees and expenses reasonably incurred by the Claims
10 Administrator as a result of procedures and processes expressly required by this Stipulation shall
11 be paid by Wachovia and taken from the Maximum Settlement Amount. The Class
12 Representative and Class Counsel shall have no responsibility for such fees or expenses. Based
13 on current estimates, the Settling Parties anticipate that the total sum paid to the Claims
14 Administrator will be \$10,000, but the Settling Parties understand and agree that this figure
15 represents just an estimated maximum, and the sum charged by the Claims Administrator may
16 be different.

17 2.9.2 The actions of the Claims Administrator shall be governed by the
18 terms of this Stipulation. Wachovia may provide relevant information needed by the Claims
19 Administrator per this Stipulation and engage in related communications with the Claims
20 Administrator without notice or copies to Class Counsel, any Class Members or the Court.
21 Wachovia may make payment to the Claims Administrator for its services and engage in related
22 communications with the Claims Administrator without notice or copies to Class Counsel, any
23 Class Members or the Court.

24 2.9.3 In the event that any Settling Parties take the position that the Claims
25 Administrator is not acting in accordance with the terms of the Stipulation, they shall meet and
26 confer with opposing counsel prior to raising any such issue with the Claims Administrator or
27 the Court.

1 2.10 *Termination of Settlement*

2 2.10.1 In the event that the settlement set forth in this Stipulation shall not be
 3 approved in its entirety or substantially as is by the Court, or in the event that the Effective Date
 4 does not occur, no payments shall be made by Wachovia to anyone in accordance with the terms
 5 of this Stipulation, the Settling Parties will bear their own costs and fees with regard to the
 6 efforts to obtain Court approval, and this Stipulation shall be deemed null and void with no
 7 effect on the Litigation whatsoever, provided Wachovia will be responsible for any reasonable
 8 costs incurred by the Claims Administrator to the point the Stipulation is deemed void. If the
 9 Court changes the dates of hearings provided for in this Stipulation by fewer than three (3)
 10 months, this shall not be deemed a substantial change necessitating termination of the
 11 settlement. In the event that ten (10) percent or more of Class Members opt out of the
 12 Settlement Class by submitting Opt Outs pursuant to Paragraph 2.5.2, Wachovia shall have the
 13 absolute discretionary right to terminate this settlement and Stipulation. To the extent Wachovia
 14 chooses to exercise the option established in this Paragraph, it must do so through written notice
 15 to Class Counsel prior to the Settlement Hearing.

16 2.11 *Miscellaneous Provisions.*

17 2.11.1 The only Class Members entitled to any payment under this
 18 Stipulation and the associated Judgment are Participating Claimants, and they shall be entitled to
 19 their respective Settlement Sums only. This Stipulation and the associated Judgment do not and
 20 will not create any unpaid residue or unpaid residual, and no distribution of such shall be
 21 required. The provisions of California Code of Civil Procedure section 384 do not apply to this
 22 action or this Stipulation, and a finding to the contrary will be a ground for Wachovia to void the
 23 settlement. Those parts of the Maximum Settlement Portion for Payments to Participating
 24 Claimants that are not claimed shall remain the property of Wachovia, and any finding to the
 25 contrary will be a ground for Wachovia to void the settlement.

26 2.11.2 No Person shall have any claim against Class Counsel, the Claims
 27 Administrator, counsel for Wachovia or any of the Wachovia Releasees based on the payments
 28

1 made or other actions taken substantially in accordance with the Stipulation and the settlement
 2 contained therein or further orders of the Court.

3 2.11.3 In the event that the Stipulation is not substantially approved by the
 4 Court or the settlement set forth in the Stipulation is terminated, cancelled, declared void or fails
 5 to become effective in accordance with its terms, or if the Judgment does not become Final, or to
 6 the extent termination, cancellation or voiding of the Stipulation is otherwise provided in this
 7 Stipulation, the Settling Parties shall resume the Litigation at that time as if no Stipulation had
 8 been entered. In such event, the terms and provisions of the Stipulation shall have no further
 9 force and effect with respect to the Settling Parties and shall not be used in this Litigation or in
 10 any other proceeding for any purpose, and any Judgment or order entered by the Court in
 11 accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.
 12 Notwithstanding any other provision of this Stipulation, no order of the Court reducing, or
 13 modification or reversal on appeal of any order of the Court reducing, the amount of any
 14 attorneys' fees or costs to be paid by Wachovia to Class Counsel or any enhancement award to
 15 be paid by Wachovia to the Class Representative, shall constitute grounds for cancellation or
 16 termination of the Stipulation or grounds for limiting any other provision of the Judgment.

17 2.11.4 The Settling Parties (a) acknowledge that it is their intent to
 18 consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to
 19 effect and implement all terms and conditions of the Stipulation and to exercise their best efforts
 20 to accomplish the foregoing terms and conditions of the Stipulation.

21 2.11.5 The Stipulation compromises claims which are contested in good
 22 faith, and it shall not be deemed an admission by any of the Settling Parties as to the merits of
 23 any claim or defense. The Settling Parties agree that the amounts paid in Settlement and the
 24 other terms of the settlement were negotiated at arms-length and in good faith by the Settling
 25 Parties, and reflect a settlement that was reached voluntarily after consultation with competent
 26 legal counsel.

27 2.11.6 The Settling Parties agree that the Notice Response Deadline shall not
 28 be extended, and no untimely submissions or claims will be honored, under any circumstances,

1 unless, and only unless, a Class Member can sufficiently demonstrate that his or her failure to
2 respond to the Class Notice was the product of the fact that he or she was legally incompetent
3 during the notice response period, including, for example, he or she was incarcerated or
4 hospitalized or on active military duty during the full notice response period; provided, however,
5 no extensions will be granted for incompetency unless first requested in writing to the Claims
6 Administrator or Class Counsel fewer than ninety (90) days following the Notice Response
7 Deadline. The Settling Parties agree that the establishment and enforcement of the Notice
8 Response Deadline is valuable consideration to Wachovia, and the finality provided thereby is a
9 material aspect of this agreement. Any ruling to the contrary by the Court or any ruling
10 allowing the filing of any responses to the Class Notice following the Notice Response Deadline
11 shall be grounds for Wachovia to void the Stipulation.

12 2.11.7 Neither the Stipulation nor the settlement, nor any act performed or
13 document executed pursuant to, or in furtherance of, the Stipulation or the settlement: (a) is or
14 may be deemed to be or may be used as an admission of, or evidence of, the validity of any
15 Released Claim, or of any wrongdoing or liability of the Wachovia Releasees, or any of them; or
16 (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or
17 omission of the Wachovia Releasees, or any of them, in any civil, criminal or administrative
18 proceeding in any court, administrative agency or other tribunal. The Class Representative and
19 Class Counsel agree not to argue or present any argument, and hereby waive any argument, that
20 Wachovia could not contest (or is estopped from contesting) class or collective action
21 certification on any grounds if this Litigation were to proceed; this Stipulation shall not be
22 deemed an admission by, or ground for estoppel against, Wachovia that class or collective
23 certification in the Litigation is proper or cannot be contested on any grounds. If this Litigation
24 were to proceed, the Settling Parties shall proceed as if no settlement had been entered or
25 proposed to the Court.

26 2.11.8 All of the exhibits to the Stipulation are material and integral parts
27 hereof and are fully incorporated herein by this reference.
28

1 2.11.9 The Stipulation may be amended or modified only by a written
2 instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

3 2.11.10 The Stipulation constitutes the entire agreement among the Settling
4 Parties hereto and no representations, warranties or inducements have been made to any party
5 concerning the Stipulation or its exhibits other than the representations, warranties and
6 covenants contained and memorialized in such documents. Except as otherwise provided
7 herein, each party shall bear its own costs.

8 2.11.11 Class Counsel, on behalf of the Class, represent that they are expressly
9 authorized by the Class Representative to take all appropriate action required or permitted to be
10 taken by the Class pursuant to the Stipulation to effect its terms, and also are expressly
11 authorized to enter into any modifications or amendments to, or documents or pleadings filed in
12 support of, the Stipulation on behalf of the Class which they deem appropriate.

13 2.11.12 Each counsel or other Person executing the Stipulation or any of its
14 exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to
15 do so.

16 2.11.13 The Stipulation may be executed in one or more counterparts. All
17 executed counterparts and each of them shall be deemed to be one and the same instrument. A
18 complete set of original executed counterparts shall be filed with the Court.

19 2.11.14 The Stipulation shall be binding upon, and inure to the benefit of, the
20 successors and assigns of the Settling Parties hereto; but this Stipulation is not designed to and
21 does not create any third party beneficiaries.

22 2.11.15 The Court shall retain jurisdiction with respect to implementation and
23 enforcement of the terms of the Stipulation, and all Settling Parties hereto submit to the
24 jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in
25 the Stipulation.

26 2.11.16 The Stipulation and the exhibits hereto shall be considered to have
27 been negotiated, executed and delivered, and to have been wholly performed, in the State of
28 California, and the rights and obligations of the Settling Parties to the Stipulation shall be

1 construed and enforced in accordance with, and governed by, the internal, substantive laws of
2 the State of California without giving effect to that State's choice of law principles.

3 2.11.17 The language of all parts of this Stipulation shall in all cases be
4 construed as a whole, according to its fair meaning, and not strictly for or against either party.
5 No party shall be deemed the drafter of this Stipulation. The Settling Parties acknowledge that
6 the terms of the Stipulation are contractual and are the product of negotiations between the
7 Settling Parties and their counsel. Each party and their counsel cooperated in the drafting and
8 preparation of the Stipulation. In any construction to be made of the Stipulation, the Stipulation
9 shall not be construed against any party and the canon of contract interpretation set forth in
10 California Civil Code § 1654 shall not be applied.

11 2.11.18 Wachovia will not retaliate against class members for any actions
12 taken or not taken with respect to this settlement and will not sue the Class Representative for
13 filing the complaints in this Litigation.

14 2.11.19 Wachovia will not assert any claims against Class Counsel for their
15 conduct in connection with the Litigation, and it acknowledges that Class Counsel have
16 complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure to this point
17 in the Litigation.

18 2.11.20 At no time shall the Claims Administrator or Wachovia be requested
19 or required to provide Class Counsel with the Last Known Address or other contact information
20 of Class Members.

21 2.11.21 The Settling Parties to this agreement recognize and acknowledge that
22 at the time of the execution of this Stipulation, there are cases pending (including without
23 limitation *Brinker Restaurant Corp. v. Superior Court*, 80 Cal. Rptr. 3d 781) and unsettled areas
24 of law, which could have had impact on the claims at issue in the Litigation. The Settling
25 Parties further recognize that they reached this settlement in light of the risks created by these
26 cases and all other issues of unsettled law, and that all parties will take all efforts to obtain court
27 approval for this settlement regardless of how such precedent develops after this settlement is
28 executed. The Settling Parties agree that the proposed class is receiving sufficient benefit and

1 consideration from this settlement by obtaining a settlement and that this settlement is fair, and
2 the Settling Parties and their counsel agree not to argue otherwise or seek to void this settlement
3 or prevent court approval on the basis of other precedent in the future.

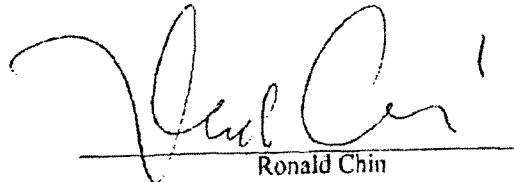
4 2.11.22 The Settling Parties agree to take all reasonable steps to comply with
5 the requirements of the Class Action Fairness Act of 2005, including the notice requirements.
6 Wachovia will be responsible for mailing pertinent documents to government officials as
7 required by the Class Action Fairness Act of 2005. It is the intent of the Settling Parties that the
8 Judgment be binding on all Settlement Class Members. No more than 10 days after this
9 Stipulation and the joint motion for preliminary approval of this Stipulation are filed, Wachovia
10 shall provide notice to the Attorney General of the United States, Office of Thrift Supervision,
11 the California State Attorney General, the California Department of Industrial Relations and the
12 California Labor and Workforce Development Agency and any other entities or agencies that
13 Wachovia deems appropriate. Said notice shall be mailed, and can be in paper or an electronic
14 or disc format, and shall include to the extent then available and feasible: (1) the operative
15 complaints in the Litigation; (2) the notice of motion and motion for preliminary approval of the
16 settlement, which shall include the proposed final approval hearing date; (3) the proposed Class
17 Notice; (4) this Stipulation; (5) the Stipulation and/or notice of motion and motion for
18 preliminary approval of the settlement, which shall confirm that there are no additional
19 agreements among the Settling Parties not reflected in the Stipulation; (6) this Stipulation, which
20 shall include the proposed Judgment; and (7) the names of each Class Member and his or her
21 projected number of Qualifying Work Weeks. The Settling Parties agree that this notice shall be
22 sufficient to satisfy the terms of 28 U.S.C. § 1715, and that subject to the occurrence of the
23 Effective Date, this Stipulation and the associated Judgment shall be binding on all Settlement
24 Class Members.

25 2.11.23 Prior to the joint submission of the settlement agreement to the Court
26 for preliminary approval by the Settling Parties, neither the Class Representative nor Class
27 Counsel shall communicate any terms of this settlement to any third parties, except that the
28 Class Representative or Class Counsel may state simply and only that the Settling Parties have

1 reached agreement on a class action settlement, the specific terms of which will be proposed to
2 the Court. Following the submission for preliminary approval and thereafter, until entry of the
3 Judgment, the Class Representative and Class Counsel shall not publicize the settlement in this
4 action or the terms thereof via (a) press releases; (b) Internet postings; or (c) communications
5 with the media. This shall not prohibit Class Counsel from discussing this case or any aspect of
6 this settlement with the Class Representative, any class member (absent or otherwise) in this
7 case, any court or opposing counsel, and this shall not prohibit Class Counsel from in any way
8 disclosing their mere status as counsel in the case.

9 IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be
10 executed.

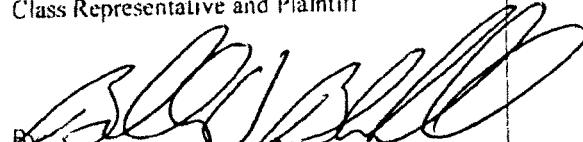
11 Dated: 3/7/10



Ronald Chin

Class Representative and Plaintiff

16 Dated: 3/30/2010



Eric Steinert
Bradley W. Blackwell
Authorized agent for Wachovia Mortgage,
FSB

20 Approved as to form:

21 Dated: March 7, 2010

INITIATIVE LEGAL GROUP APC

23 By: 
Mónica Baderama

24 Class Counsel and Counsel to Plaintiff Ronald
25 Chin

1 Dated: 3/25/10

MUNGER, TOLLES & OLSON LLP

2 By: 
3 Malcolm A. Heinicke

4 Counsel for Defendant Wachovia Mortgage,
5 FSB

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EXHIBIT 1

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1 MALCOLM A. HEINICKE (SBN 194174)
2 Malcolm.Heinicke@mto.com
3 MUNGER, TOLLES & OLSON LLP
4 560 Mission Street
5 Twenty-Seventh Floor
6 San Francisco, CA 94105-2907
7 Telephone: (415) 512-4000
8 Facsimile: (415) 512-4077

6 Attorneys for Defendants
7 WACHOVIA FINANCIAL SERVICES, WACHOVIA MORTGAGE
8 CORPORATION, WACHOVIA SHARED RESOURCES, LLC
9 (erroneously sued as Wachovia Services, Inc.), WORLD
MORTGAGE COMPANY, WACHOVIA COMMERCIAL
MORTGAGE, INC., WORLD SAVINGS, INC., WACHOVIA
EQUITY SERVICING, LLC, WACHOVIA BANK, N.A., WACHOVIA
CORPORATION, and WACHOVIA MORTGAGE, FSB

PLAINTIFF'S COUNSEL LISTED ON NEXT PAGE

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

15 RONALD CHIN, individually, and on
16 behalf of other members of the general
public similarly situated,

17 Plaintiff,

18 || VS.

19 WACHOVIA FINANCIAL SERVICES,
INC.; WACHOVIA MORTGAGE
20 CORPORATION; WACHOVIA
SERVICES, INC.; WORLD MORTGAGE
21 COMPANY; WACHOVIA
COMMERCIAL MORTGAGE, INC.;
22 WORLD SAVINGS, INC.; WACHOVIA
EQUITY SERVICING, LLC;
23 WACHOVIA BANK, N.A.; WACHOVIA
CORPORATION; WACHOVIA
24 MORTGAGE, FSB; and DOES 1 through
10, inclusive.

Defendants.

CASE NO. 4:08-cv-00684-CW

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
SETTLEMENT AND SETTING A
SETTLEMENT HEARING**

Date: June 10, 2010
Time: 2:00 p.m
Courtroom 2, 4th floor

Honorable Claudia Wilken

Other Case Affected by Settlement: *Chin v. Wachovia Financial Services, Inc., et al.*, Case No. 4:08-cv-01320-CW

1 MARC PRIMO (SBN 216796)
2 MPrimo@InitiativeLegal.com
3 MÓNICA BALDERRAMA (SBN 196424)
4 MBalderrama@InitiativeLegal.com
5 INITIATIVE LEGAL GROUP LLP
6 1800 Century Park East, 2nd Floor
7 Los Angeles, California 90067
8 Telephone: (310) 556-5637
9 Facsimile: (310) 861-9051

10
11 Attorneys for Plaintiff RONALD CHIN and proposed
12 Settlement Class
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1 The joint motion of the Settling Parties for an order preliminarily approving a class
2 action settlement and setting a settlement hearing, came on for hearing on June 10, 2010. The
3 Court has considered the Stipulation Re: Settlement of Class Action (and its exhibits), the
4 submissions of counsel, and all other papers filed in this action. The matter having been
5 submitted and good cause appearing therefore:

6 The Court finds as follows:

7 1. All defined terms contained herein shall have the same meanings as set
8 forth in the Stipulation Re: Settlement of Class Action executed by the Settling Parties and filed
9 with this Court (the "Stipulation");

10 2. The Class Representative and Wachovia, through their respective counsel
11 of record in the Litigation, have reached an agreement to settle all Released Claims and resolve
12 the Litigation;

13 3. The Court conditionally finds that, for the purposes of approving this
14 settlement only and for no other purpose and with no other effect on the Litigation, including no
15 effect on the Litigation should the Stipulation not ultimately be approved or should the Effective
16 Date not occur, the proposed Class meets the requirements for certification under Rule 23 of the
17 Federal Rules of Civil Procedure: (a) the proposed Class is ascertainable and so numerous that
18 joinder of all members of the class is impracticable; (b) there are questions of law or fact common
19 to the proposed Class, and there is a well-defined community of interest among members of the
20 proposed Class with respect to the subject matter of the Litigation; (c) the claims of Class
21 Representative Chin are typical of the claims of the members of the proposed Class; (d) Class
22 Representative Chin will fairly and adequately protect the interests of the Members of the Class;
23 (e) a class action is superior to other available methods for an efficient adjudication of this
24 controversy; and (f) the counsel of record for the Class Representative are qualified to serve as
25 counsel for the Class Representative in his own capacity as well as his representative capacity and
26 for the Class;

1 4. The moving parties also have presented to the Court for review a
 2 Stipulation Re: Settlement of Class Action. The Stipulation is within the range of reasonableness
 3 and meets the requirements for preliminary approval; and

4 5. The moving parties have also presented to the Court for review a plan to
 5 provide notice to the proposed Class of the terms of the settlement and the options facing the
 6 Class including, *inter alia*: to opt out of the class action, to remain in the Settlement Class, to
 7 object to the terms of the settlement, with counsel if desired, and/or to be a Participating
 8 Claimant. The notice will be mailed to all Class Members at their Last Known Addresses. The
 9 notice plan proposed by the Settling Parties is the best practical under the circumstances.

10 Good cause appearing therefore, IT IS HEREBY ORDERED that:

11 1. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Stipulation
 12 of Settlement is preliminarily approved and the Class is conditionally certified; and Ronald Chin
 13 is conditionally approved as the Class Representative, and Initiative Legal Group, APC is
 14 conditionally appointed Class Counsel;

15 2. Notice of the proposed settlement, and the rights of Class Members to opt
 16 out of the settlement or become a Participating Claimant, shall be given by mailing of the Notice
 17 to Class Members by first class mail, postage prepaid, to all Class Members pursuant to the
 18 applicable provisions in the Stipulation and postmarked to the Claims Administrator on or before
 19 the Notice Response Deadline. Wachovia shall provide the Claims Administrator with the
 20 information necessary to conduct this mailing as set forth in the Stipulation;

21 3. A hearing shall be held before this Court on **November 4, 2010 at 2 pm** to
 22 consider whether the settlement should be given final approval by the Court:

23 (a) Written objections by Class Members to the proposed settlement will be
 24 considered if received by Class Counsel (either directly or through the Claims Administrator) on
 25 or before the Notice Response Deadline;

26 (b) At the Settlement Hearing, Class Members may be heard orally in support
 27 of the settlement, or in opposition to the settlement, provided they submitted a timely written
 28 objection on or before the Notice Response Deadline;

(c) Class Counsel and counsel for Wachovia should be prepared at the hearing to respond to objections filed by Class Members, if any, and to provide other information as appropriate, bearing on whether or not the settlement should be approved; and

4. In the event that the Effective Date occurs, all Settlement Class Members will be deemed to have forever released and discharged the Released Claims. In the event that the Effective Date does not occur for any reason whatsoever, the Stipulation shall be deemed null and void and shall have no effect whatsoever.

5. Prior to the Settlement Hearing, the Settling Parties shall file a joint motion for final approval of the settlement, and the Class Representative and Class Counsel shall file their motion for attorney fees.

PURSUANT TO STIPULATION, IT IS SO ORDERED.

DATED:

The Honorable Claudia Wilken

EXHIBIT 2

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

RONALD CHIN, individually, and on
behalf of other members of the general
public similarly situated,

Plaintiff,

vs.

WACHOVIA FINANCIAL SERVICES,
INC.; WACHOVIA MORTGAGE
CORPORATION; WACHOVIA
SERVICES, INC.; WORLD MORTGAGE
COMPANY; WACHOVIA
COMMERCIAL MORTGAGE, INC.;
WORLD SAVINGS, INC.; WACHOVIA
EQUITY SERVICING, LLC;
WACHOVIA BANK, N.A.; WACHOVIA
CORPORATION; WACHOVIA
MORTGAGE, FSB; and DOES 1 through
10, inclusive,

Defendants.

CASE NO. 4:08-cv-00684-CW

**[PROPOSED] NOTICE TO CLASS
MEMBERS RE: PENDENCY OF A CLASS
ACTION AND NOTICE OF HEARING ON
PROPOSED SETTLEMENT**

Other Case Affected by Settlement: *Chin v. Wachovia Financial Services, Inc., et al.*, Case No. 4:08-cv-01320-CW

1 **THIS NOTICE MAY AFFECT YOUR RIGHTS;**
 2 **PLEASE READ IT CAREFULLY.**
 3 **PLEASE DO NOT CONTACT THE COURT OR**
 4 **THE COURT CLERK REGARDING THIS MATTER.**

5
 6 **THE FOLLOWING RECITATION DOES NOT CONSTITUTE THE FINDINGS OF THE**
 7 **COURT. IT SHOULD NOT BE UNDERSTOOD TO BE AN EXPRESSION OF THE**
 8 **COURT'S VIEWS ON THE MERITS OF ANY CLAIM OR DEFENSE RAISED BY THE**
 9 **PARTIES. THIS NOTICE WILL SET FORTH YOUR OPTIONS UNDER A PROPOSED**
 10 **SETTLEMENT AND HOW YOU CAN RESPOND TO THAT SETTLEMENT,**
 11 **INCLUDING HOW YOU CAN SUBMIT A CLAIM FOR PAYMENT.**

12
 13 Please understand that this is not a notice of a lawsuit against you. You have not
 14 been sued. Class Counsel encourage Class Members to read this Notice carefully and participate
 15 in the action and submit Claim Forms. Wachovia takes no position as to how Class Members
 16 should respond, and their participation in the settlement will not impact their employment or
 17 relationship with the Company in any manner. Wachovia is not permitted to retaliate against
 18 class members for any action taken or not taken with respect to this settlement.

19 **I. INTRODUCTION AND SUMMARY**

20 This is to notify you of two lawsuits filed on January 29, 2008, against Wachovia
 21 concerning the compensation of hourly tele-finance loan representatives, *i.e.*, Telefi/ELOC Loan
 22 Representatives (who during the relevant time period, may have been called various titles
 23 including without limitation Loan Representative I – Telefi/ELOC (Job Code 57-800, Grade 024);
 24 Loan Representative II – Telefi/ELOC (Job Code 57-801, Grade 025); Loan Representative Sr. –
 25 Telefi/ELOC (Job Code 57-802, Grade 026); Loan Representative Exec – Telefi/ELOC (Job
 26 Code 57-803, Grade 027); and Loan Representative Exec Sr. – Telefi/ELOC (Job Code 57-804,
 27 Grade 028)).

28 The two lawsuits, entitled *Chin v. Wachovia Financial Services, Inc., et al.*, United
 29 States District Court for the Northern District of California, Case No. 4:08-cv-00684-CW, and
 30 *Chin v. Wachovia Financial Services, Inc., et al.*, United States District Court for the Northern
 31 District of California, Case No. 4:08-cv-01320-CW, collectively allege that Wachovia failed to
 32 comply with various California employment laws and regulations relating to the payment of
 33 overtime wages, the provision of meal and rest periods, recordkeeping, and the timing of wage

1 payments. The two suits are collectively brought on behalf of Telefi/ELOC Loan Representatives
 2 employed by Wachovia or World Mortgage Company in San Leandro, California during the
 3 period from January 29, 2004 through [insert date]. You have received this Notice because
 4 Wachovia records indicate you are a member of this Class of people.

5 Wachovia has reviewed the claims in detail, and it has denied any wrongdoing or
 6 liability in this matter. Wachovia takes seriously its responsibilities as an employer and its
 7 associated obligations to its employees, and it has worked with the plaintiff and his counsel to
 8 resolve this matter and address any possible questions and avoid the further expense and burden
 9 of litigation pursuant to the procedure set forth in this Notice.

10 The purpose of this Notice is to inform you of the pending settlement agreement
 11 and your rights under it. Because you have received this Notice to Class Members, Wachovia
 12 records indicate you are one of the Telefi/ELOC Loan Representatives employed by Wachovia or
 13 World Mortgage Company at the San Leandro, California call center who is included in the
 14 proposed Class and is eligible to participate in the settlement.

15 This Notice will provide instructions on the options available to you – in
 16 particular, it will explain how you can either participate in this settlement by submitting a claim
 17 for monetary payment, opt out of the settlement altogether or take other or no actions. If you take
 18 no action, you will be subject to this agreement and the associated judgment (and the associated
 19 release), but you will not receive any payment.

20 **II. DESCRIPTION OF THE UNDERLYING CLAIMS**

21 The first lawsuit at issue in this notice, entitled *Chin v. Wachovia Financial*
 22 *Services, Inc., et al.*, United States District Court for the Northern District of California, Case No.
 23 4:08-cv-00684-CW, was originally filed on January 29, 2008. The lawsuit alleges, among other
 24 things, that Wachovia failed to pay its San Leandro, California Telefi/ELOC Loan
 25 Representatives all overtime wages allegedly due to them under California law. In addition, the
 26 lawsuit claims that Wachovia failed to provide these employees with appropriate meal and rest
 27 breaks and properly itemized wage statements. Specifically, on behalf of himself and others
 28 similarly situated to him, the plaintiff, or Class Representative, alleges that Wachovia violated

1 certain state employment laws, including without limitation the California Labor Code and the
 2 California Industrial Welfare Commission Wage Orders, by purportedly, among other things, (a)
 3 failing to pay all overtime wages allegedly due to Telefi/ELOC Loan Representatives in San
 4 Leandro, California, for hours that the employees worked in excess of eight hours in a day or in
 5 excess of forty hours in a week during the pertinent period; (b) preventing these employees from
 6 taking uninterrupted 30-minute meal periods and 10-minute rest periods that the employees were
 7 entitled to take; (c) failing to provide these employees with complete and accurate wage
 8 statements that included, among other things, their social security numbers; and (d) failing to pay
 9 these employees all wages allegedly owed to them within the appropriate time periods established
 10 by state law.

11 The second lawsuit, entitled *Chin v. Wachovia Financial Services, Inc., et al.*,
 12 United States District Court for the Northern District of California, Case No. 4:08-cv-01320-CW,
 13 was also originally filed on January 29, 2008. The lawsuit makes virtually the same claims as the
 14 first lawsuit, but the plaintiff seeks to recover penalties pursuant to the California Labor Code
 15 Private Attorney General Act of 2004 on behalf of other aggrieved employees.

16 Although Wachovia believes that it had ample basis to contest these allegations,
 17 Wachovia nevertheless felt it important to work with the Class Representative and his counsel in
 18 an effort to address these issues. Accordingly, and subject to Court approval, the Settling Parties
 19 have entered a settlement agreement that provides for the certification of a class consisting of
 20 Telefi/ELOC Loan Representatives.

21 Subject to Court approval and other conditions, this settlement will provide for the
 22 payment of a settlement sum to eligible individuals who properly submit Claim Forms. The
 23 terms of this settlement will be discussed in greater detail below.

24 **III. DESCRIPTION OF THE SETTLEMENT**

25 On behalf of other members of the Settlement Class, the Class Representative has
 26 reached a voluntary settlement agreement with Wachovia. Through this settlement, neither
 27 Wachovia nor any of its affiliates or employees has admitted any liability or wrongdoing. A full
 28 copy of the settlement agreement, which is entitled the Stipulation of Settlement re: Class Action,

1 as preliminarily approved by the Court, as well as other public documents filed with regard to this
 2 matter can be inspected in the Office of the Court Clerk. Please see Section IX of this Notice for
 3 further details.

4 Under the terms of the settlement, Class Members who do not opt out of the
 5 settlement will remain subject to the judgment and be precluded from bringing any “Released
 6 Claims” against Wachovia or any of its affiliates in the future, whether they submit Claim Forms
 7 or not. Specifically, those Class Members who do not opt out of the matter will be precluded
 8 from bringing “Released Claims,” which are defined as any claims, including unknown claims,
 9 demands, rights, liabilities and causes of action of every nature and description whatsoever by a
 10 Class Member relating to his or her employment with, or work for, Wachovia or any of its
 11 affiliates in California, including without limitation statutory, constitutional, contractual or
 12 common law claims, whether known or unknown, whether or not concealed or hidden, against
 13 Wachovia or its employees, agents, or affiliates, that accrued at any time between January 29,
 14 2004 and **[insert date]** for any type of relief, including without limitation claims for wages,
 15 damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorney fees,
 16 litigation costs, restitution, or equitable relief, based on the following categories of allegations:
 17 (a) any and all claims for the failure to pay any type of regular or premium wages (including
 18 premium overtime wages); (b) any and all claims for the failure to provide meal and/or rest
 19 periods and/or to pay additional sums of money in lieu thereof; (c) any and all claims for failure
 20 to comply with payroll or wage record-keeping or itemization requirements; (d) any and all
 21 claims for failure to timely pay wages due at termination or otherwise; or (e) to the extent not
 22 covered above, any claim pled in either of the previously-cited lawsuits filed by Ronald Chin on
 23 January 29, 2008. The Released Claims include without limitation claims meeting the above
 24 definition under any and all applicable statutes, including without limitation the federal Fair
 25 Labor Standards Act, the Portal to Portal Act, California Labor Code § 200 *et seq.*, California
 26 Labor Code § 512, California Labor Code § 1194, the California Unfair Competition Act, and in
 27 particular, California Bus. & Prof. Code § 17200 *et seq.*, the California Labor Code Private
 28 Attorneys General Act of 2004, codified at California Labor Code §§ 2698 *et seq.*, and any other

1 provision of the California Labor Code or any applicable California Industrial Welfare
 2 Commission Wage Orders, in all of their iterations (including without limitation Wage Order 4
 3 and the wage, overtime, meal and rest period, and record-keeping provisions thereof).

4 With respect to Released Claims only, all Settlement Class Members, *i.e.*, people
 5 who do not opt out of the settlement, shall be deemed to have, and by operation of the judgment
 6 shall have, expressly waived, with respect to all “Released Claims,” the rights and benefits of
 7 California Civil Code § 1542, which provides:

8 A general release does not extend to claims which the creditor does not know or
 9 suspect to exist in his or her favor at the time of executing the release, which if
 known by him or her must have materially affected his or her settlement with the
 debtor.

10

11 Those Class Members who do not opt out of the settlement and who submit
 12 Qualifying Claim Forms in a proper manner will receive a payment according to the responses on
 13 their Claim Forms and the number of weeks they worked at Wachovia or World Mortgage
 14 Company in San Leandro, California as a Telefi/ELOC Loan Representative during the pertinent
 15 period. Specifically, pursuant to these calculations and under the terms of this settlement, if Class
 16 Members do not opt out of the settlement and also submit Qualifying Claim Forms and properly
 17 become participating claimants, then they will receive payment in a gross amount, less required
 18 deductions and/or withholdings, equal to their number of qualifying work weeks at Wachovia or
 19 World Mortgage Company during the pertinent period multiplied by the settlement variable.
 20 Specifically, for qualifying work weeks during which a Class Member was employed as a
 21 Telefi/ELOC Loan Representative, the settlement variable is estimated to be approximately
 22 \$29.49. Thus, for example, if a Participating Class Member worked fifty qualifying work weeks
 23 as a Telefi/ELOC Loan Representative, he or she would be entitled to a gross payment of
 24 approximately \$1,474.50.

25

Wachovia records demonstrate that you, the Class Member receiving this Notice,
 26 worked [____] qualifying work weeks during the pertinent period as a Telefi/ELOC Loan
 27 Representative. Based on your qualifying work weeks, your estimated individual gross recovery
 28

1 is approximately [\$ SETTLEMENT SUM] before pertinent withholdings and adjustments for
 2 payroll taxes. If you dispute this number and claim that you worked fewer or more weeks as a
 3 Telefi/ELOC Loan Representative in San Leandro, California, *during the period from January 29,*
 4 2004 through [insert date], you may present this dispute to Class Counsel (at the address
 5 provided below) or the Claims Administrator (at the address provided on the attached forms)
 6 provided you submit this dispute no later than [**NOTICE RESPONSE DEADLINE**]. If you
 7 dispute the number of weeks credited above but still wish to participate in the settlement while
 8 that dispute is resolved, you must submit a Claim Form on or before to the [**NOTICE**
 9 **RESPONSE DEADLINE**].

10 A portion of any payment made to a participating claimant will be subject to
 11 required wage withholdings and deductions and adjustments for taxes, and so the net payable
 12 amount will be less than the gross amount of settlement sum. Specifically, Wachovia will report
 13 fifty percent of this payment to relevant government entities as a wage payment, and the other
 14 fifty percent as a non-wage payment. Wachovia reserves the right to make any required
 15 withholdings or deductions as required by applicable law, and Class members should be advised
 16 that Wachovia will report any payments made pursuant to this agreement to the Internal Revenue
 17 Service and other relevant government entities (if any) as required by law.

18 Pursuant to the settlement and subject to final approval by the Court, the attorneys
 19 for the Class Representative and the Class (herein “Class Counsel”) will be paid a sum sufficient
 20 to compensate them for their services in this matter. Under the terms of the settlement, the
 21 payment to Class Counsel for attorneys’ fees will be in a maximum amount of \$150,000, which is
 22 one-third (33.33%) of the total maximum amount that Wachovia can pay under the settlement. In
 23 addition, the payment to Class Counsel for allowable litigation costs will be in a maximum
 24 amount of \$10,000. Wachovia will pay the attorney fee and costs award. Class Members will not
 25 be required to compensate Class Counsel. Wachovia will also pay the Class Representative the
 26 sum of \$10,000 as an “enhancement award” for his services as the Class Representative in this
 27 matter.

28 **Only those individuals who remain members of the Class will be eligible to**

1 **participate in this settlement and receive payment under this agreement, and only those**
 2 **individuals who submit Qualifying Claim Forms will receive payment. All individuals who**
 3 **do not opt out will be subject to the judgment and the release described above. On the**
 4 **other hand, those Class Members who opt out of the settlement will not be eligible to receive**
 5 **any payment pursuant to this settlement, nor will they be bound by the judgment and**
 6 **associated waiver or release of related claims. Class Members who opt out will retain the**
 7 **right to pursue their own claims, provided those claims are not barred by the statute of**
 8 **limitations or otherwise precluded.**

9 For Class Members who execute or have executed severance agreements and
 10 associated releases on or before [insert date], those severance agreements and associated releases
 11 will not affect the Class Members' ability to submit Settlement Claim Forms, become
 12 Participating Claimants and receive payments. To the extent Class Members opt out of the
 13 settlement, however, Wachovia reserves the right to argue that their claims are barred by the
 14 severance agreements and associated releases.

15 Class Members may if they wish consult a licensed accountant or tax preparer in
 16 connection with participating in this settlement by submitting a Claim Form or otherwise
 17 responding to this Notice. Neither the Class Representative, Class Counsel nor Wachovia makes
 18 any representations concerning the tax consequences of this settlement or participation in it.

19 **IV. CERTIFICATION AND HEARING THEREON**

20 Following a hearing on or about [XXXX], pursuant to the procedures for the
 21 approval of class actions and the Federal Rules of Civil Procedure, Rule 23, the Court granted
 22 preliminary approval for the settlement of this matter as a class action and scheduled a hearing on
 23 final approval for [XXXX]. This hearing will take place before the Honorable Claudia Wilken,
 24 Courtroom 2, 4th Floor, at the United States District Courthouse, 1301 Clay Street, Suite 400 S,
 25 Oakland, CA. Members of the Class, including you, the person receiving this Notice, can express
 26 their views on the settlement at or before this hearing but you are not required to do so, nor are
 27 you required to attend this hearing to exercise any of your rights, including either the right to
 28 participate in this settlement or the right to opt out of this action. Members of the Class can

1 exercise either their right to obtain payment or opt out by following the instructions contained in
 2 this Notice; again, **no appearance at the hearing** is required.

3 In addition to scheduling this hearing, the Court approved this Notice and
 4 approved the request to mail this Notice to all members of the relevant Class. This conditional
 5 certification order does not reflect the Court's opinion on the merits of any claim or defense
 6 raised by the parties.

7 A full copy of this conditional certification order as well as other public documents
 8 filed with regard to this matter can be inspected and copied in the Office of the Court Clerk.
 9 Please see Section IX of this Notice for further details.

10 **V. CORRECTIONS TO NAME OR ADDRESS**

11 If, for any future reference or mailings, the recipient of this Notice, *i.e.*, you, wish
 12 to change the name or address listed on the envelope in which this Notice was sent, please
 13 complete, execute and mail the form entitled "Change of Name and/or Address Information"
 14 attached to this Notice as Form A.

15 **VI. THE RIGHTS AND OPTIONS OF CLASS MEMBERS**

16 Because you have received this Notice, you are currently a member of the
 17 conditionally certified Class. Current members of the Class have several options:

18 **First**, individuals such as you, the person receiving this Notice, who are currently
 19 members of the Class may elect to "opt out" of the Settlement Class and thus exclude themselves
 20 from this action and the associated settlement and judgment. Class Members who opt out of this
 21 action would remain free, subject to the statute of limitations and applicable statutory, common
 22 law or other restrictions, to bring what would otherwise be waived Released Claims against
 23 Wachovia. Class members who wish to exercise this option should review the form entitled
 24 "Election to Opt Out of Settlement and Class Action" attached to this Notice as Form B, and must
 25 complete, execute and mail this election notice in the manner and by the deadline specified on the
 26 form. Class Members who opt out of this lawsuit and the associated settlement forfeit their right
 27 to submit a claim for payment under the specific settlement described herein.

28 **Second**, individuals such as you, the person receiving this Notice, who are

1 currently members of the Class may elect to participate in the settlement by submitting a claim
2 for payment under the settlement. Class Members who choose this option and remain in the
3 Settlement Class will be represented by the Class Representative and Class Counsel. The lawyers
4 acting as Class Counsel in this matter are:

5 MARC PRIMO
6 MÓNICA BALDERRAMA
INITIATIVE LEGAL GROUP APC
1800 Century Park East, 2nd Floor
7 Los Angeles, California 90067

8 If you choose this option and properly submit a Claim Form that demonstrates
9 your entitlement to a payment (*i.e.*, the second of the two check boxes on the Claim Form is
10 marked), you will remain a member of the Settlement Class and will receive payment pursuant to
11 the settlement agreement (per the formula set forth above), and you will be subject to the
12 judgment rendered in this action, *i.e.*, the judgment issued in connection with the settlement
13 obtained for the Class. (Above, this Notice discusses the settlement, the associated judgment in
14 this matter, and the effect of this judgment.) Only Settlement Class Members that properly
15 submit Claim Forms will receive payment. In this case, if you submit a qualifying claim form
16 demonstrating your eligibility, you will receive [PAYMENT AMOUNT], a figure that has been
17 calculated on the basis of your tenure with the company. Class members who wish to submit a
18 claim and receive payment must review the form entitled “Settlement Claim Form” attached to
19 this Notice as Form C, and then fully complete, execute and mail this election notice in the
20 manner and by the deadline specified on the form.

21 Whether they submit a claim for payment or not, all members of the Class who do
22 not opt out of the settlement (per the procedure discussed above) shall be deemed to have forever
23 released and discharged Wachovia and all of its past and present affiliates, directors, officers and
24 employees from any and all Released Claims, as that term is defined above and in the Stipulation
25 of Settlement on file with the Court. Class Members who do not opt out of the settlement may
26 object to the terms or nature of the settlement. The procedure for doing so is set forth below in
27 Section VIII. In addition, Class Members may, at their own expense, retain their own lawyers for
28

1 purposes of presenting their objections. Class Members are not required, however, to obtain their
2 own counsel in order to submit objections.

3 **VII. THE PEOPLE RECEIVING THIS NOTICE**

4 The Class Representative has brought the suits at issue as class and representative
5 actions. In class and representative actions, one or more persons bring claims on behalf of
6 themselves and others who purportedly are in similar situations or have similar claims. In other
7 words, the Class Representative is seeking to represent those who are similarly situated and thus
8 may also have similar or related claims. In order to ensure that all Class Members are given an
9 adequate opportunity to protect their rights, this Notice is being mailed to the last known
10 addresses of all Class Members.

11 **VIII. HEARING ON SETTLEMENT**

12 The Court will hold a hearing on the advisability and propriety of this settlement
13 on [XXXX].

14 This hearing will take place before the Honorable Claudia Wilken, United States
15 District Court for the Northern District of California, Courtroom 2, 4th Floor, 1301 Clay Street,
16 Suite 400 S, Oakland, California 94612. Prior to this hearing, Class Members may submit any
17 written objections to the settlement agreement by delivering them to any of the Class Counsel
18 designated above or to the Claims Administrator, Rust Consulting, Inc., re: Chin Matter, P.O.
19 Box _____, Minneapolis, MN 55440-0151, no later than **[NOTICE RESPONSE DEADLINE]**.
20 Class Members may also attend the hearing to express their views on or state any objections to
21 the settlement, provided that they must submit timely written objections if they wish to object at
22 the hearing. **Attendance at this hearing is completely optional; attendance at the hearing is**
23 **not required to participate in the settlement or to opt out of the lawsuit.**

24 **IX. EXAMINATION OF PAPERS FILED IN THIS ACTION**

25 This Notice does not fully describe the action. Members of the public, including
26 but not limited to those whose rights may be affected by this action, may inspect the files through
27 the Court Clerk at the following address: Office of the Clerk, United States District Court for the
28 Northern District of California, 1301 Clay Street, Suite 400 S, Oakland, California 94612.

1 *PLEASE DO NOT CALL OR WRITE THE COURT OR THE CLERK OF*
2 *THE COURT WITH QUESTIONS REGARDING THIS ACTION.*
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1 **FORM A**
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**NOTICE TO CLASS MEMBERS RE: PENDENCY OF A CLASS ACTION AND NOTICE
OF HEARING ON PROPOSED SETTLEMENT THEREOF**

Change of Name and/or Address Information

Pursuant to Section V of the Notice to Class Members, I wish to change my name and/or mailing address information to the following:

Name:

Street and Apt. No., if any:

City, State and Zip Code:

For purposes of verification only, I began working at Wachovia or World Mortgage Company in

_____ , _____.

(Month) (Year)

I understand that all future correspondence in this action, including but not necessarily limited to important notices or payments to which I may be entitled (if any), will be sent to the address listed above and not to the address previously used. I hereby request and consent to the use of the address listed above for these purposes.

DATED: _____, 2009 Submitted By:

Submitted By:

Print Name

Signature

Date

PLEASE RETURN THIS FORM VIA UNITED STATES MAIL TO:

Rust Consulting, Inc.

Re: Chin Matter

P.O. Box _____, Minneapolis, MN 55440-0151

THIS FORM MUST BE RECEIVED BY [NOTICE RESPONSE DEADLINE].

TO CHANGE YOUR ADDRESS

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2 **FORM B**
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4 **FOR**
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6 **NOTICE TO CLASS MEMBERS RE: PENDENCY OF A CLASS ACTION AND NOTICE**
7 **OF HEARING ON PROPOSED SETTLEMENT THEREOF**
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Election to Opt Out of Settlement and Class Action

Pursuant to Section VI of the Notice to Class Members, I understand that I have the option to elect to “opt out” of the Settlement Class and hereby do exclude myself from this action and the associated settlement and judgment. I understand that by exercising this option, I will remain free to prosecute my own otherwise valid claims, if any, against Wachovia for any Released Claims (as defined above), subject to the statute of limitations and other applicable restrictions. I also understand that by electing to opt out, I will be precluded from participating in any settlement or receiving payment or other benefit pursuant to the settlement of or judgment in this action. I further understand that if I elect to opt out and prosecute my claims on my own, and if I desire representation by an attorney, I will need to hire or otherwise retain an attorney for that purpose.

With full understanding of the foregoing, I elect to opt out of the lawsuit and associated settlement.

14 || Name of Class Member (print):

15 | Address:

16 || City, State and Zip Code:

17 Date: _____

18 || Signature: _____

19 For purposes of verification only, I began working at Wachovia

20 || Mortgage Company in

_____, _____, _____

23 PLEASE RETURN THIS FORM VIA UNIT

24 ||| Rust Consulting, Inc.

25 Re: Chin Matter

26 P.O. Box , Minneapolis, M

27 THIS FORM MUST BE RECEIVED BY [NOTICE RESPONSE]

28 VALID

VALID

1 **FORM C**
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6 **FOR**
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**NOTICE TO CLASS MEMBERS RE: PENDENCY OF A CLASS ACTION AND NOTICE
OF HEARING ON PROPOSED SETTLEMENT THEREOF**

Settlement Claim Form

for Chin v. Wachovia Financial Services, Inc. et al.,

Case No. 4:08-cv-00684, United States District Court for the Northern District of California

Pursuant to Section VI of the Notice, I hereby confirm that I am eligible to participate in this settlement because I was employed by Wachovia or World Mortgage Company in San Leandro, California at some point between January 29, 2004 and [insert date] as a Telefi/ELOC Loan Representative, holding one or more of the following job titles: Loan Representative I – Telefi/ELOC; Loan Representative II – Telefi/ELOC; Loan Representative Sr. – Telefi/ELOC; Loan Representative Exec – Telefi/ELOC; Loan Representative Exec Sr. – Telefi/ELOC.

I further confirm the following: During my tenure as a Telefi/ELOC Loan Representative for World Mortgage Company (World Savings) and/or Wachovia, in San Leandro, California, (check one and only one):

- I was always paid for all hours worked and was always provided with and always took one thirty-minute meal period and two ten-minute rest periods every shift; or
 - I was either (1) not always paid for all hours worked, i.e., I worked hours for the company that I did not record or I recorded such hours but was not paid for them; (2) I did not always receive and take one full and uninterrupted thirty-minute meal period by the end of the fifth hour of every shift; and/or (3) I did not always receive or take two ten-minute rest periods on each shift; or (4) any of the above.

I understand that if I check the first box, I will receive nothing under the settlement. If I check the second box, I will receive my individual recovery. I further acknowledge that I understand and agree, that by exercising this option, my recovery will be the gross amount calculated pursuant to the settlement formula, *i.e.*, my individual number of qualifying work weeks listed in this Notice multiplied by the pertinent variable for me (minus the withholdings required by federal and state law), and nothing further. I also understand that by not electing to opt out of this settlement, I will be subject to the judgment, waive the protections of

1 California Civil Code Section 1542² and will be precluded from pursuing any Released Claims, as
2 defined above and in the settlement agreement. I hereby confirm that the foregoing is true and
3 accurate to the best of my knowledge.

4 I further acknowledge that by signing below, I will release claims under the Fair
5 Labor Standards Act, and I am consenting to opt into this action for purposes of 29 U.S.C. §
6 216(b).

7 Name of Class Member (print):

8 Address:

9 City, State and Zip Code:

10 Date: _____

11 Signature: _____

12 For purposes of verification only, I began working at Wachovia or World

13 Mortgage Company in

14 _____, _____.
15 (Month) (Year)

16
17 PLEASE RETURN THIS FORM VIA UNITED STATES MAIL TO:

18 Rust Consulting, Inc.

19 Re: Chin Matter

20 P.O. Box _____, Minneapolis, MN 55440-0151

21
22 **FORMS MUST BE RECEIVED NO LATER THAN [NOTICE RESPONSE DEADLINE]**

23 **IN ORDER TO BE VALID AND EFFECTIVE.**

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27 ² California Civil Code Section 1542 provides that “[a] general release does not extend to claims which the creditor
28 does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or
her must have materially affected his or her settlement with the debtor.”

EXHIBIT 3

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1 MALCOLM A. HEINICKE (SBN 194174)
2 Malcolm.Heinicke@mto.com
3 MUNGER, TOLLES & OLSON LLP
4 560 Mission Street
5 Twenty-Seventh Floor
6 San Francisco, CA 94105-2907
7 Telephone: (415) 512-4000
8 Facsimile: (415) 512-4077

9
10 Attorneys for Defendants
11 WACHOVIA FINANCIAL SERVICES, WACHOVIA MORTGAGE
12 CORPORATION, WACHOVIA SHARED RESOURCES, LLC
13 (erroneously sued as Wachovia Services, Inc.), WORLD
14 MORTGAGE COMPANY, WACHOVIA COMMERCIAL
15 MORTGAGE, INC., WORLD SAVINGS, INC., WACHOVIA
16 EQUITY SERVICING, LLC, WACHOVIA BANK, N.A., WACHOVIA
17 CORPORATION, and WACHOVIA MORTGAGE, FSB

18 PLAINTIFF'S COUNSEL LISTED ON NEXT PAGE

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

RONALD CHIN, individually, and on
behalf of other members of the general
public similarly situated,

Plaintiff,

vs.

WACHOVIA FINANCIAL SERVICES,
INC.; WACHOVIA MORTGAGE
CORPORATION; WACHOVIA
SERVICES, INC.; WORLD MORTGAGE
COMPANY; WACHOVIA
COMMERCIAL MORTGAGE, INC.;
WORLD SAVINGS, INC.; WACHOVIA
EQUITY SERVICING, LLC;
WACHOVIA BANK, N.A.; WACHOVIA
CORPORATION; WACHOVIA
MORTGAGE, FSB; and DOES 1 through
10, inclusive,

Defendants.

CASE NO. 4:08-cv-00684-CW

[PROPOSED] ORDER DETERMINING
GOOD FAITH AND GRANTING FINAL
APPROVAL OF SETTLEMENT

Date:

Time:

Place:

HONORABLE CLAUDIA WILKEN

Other Case Affected by Settlement: *Chin v. Wachovia Financial Services, Inc., et al.*, Case No. 4:08-cv-01320-CW

1 MARC PRIMO (SBN 216796)
2 MPrimo@InitiativeLegal.com
3 MÓNICA BALDERRAMA (SBN 196424)
4 MBalderrama@InitiativeLegal.com
5 INITIATIVE LEGAL GROUP APC
6 1800 Century Park East, 2nd Floor
7 Los Angeles, California 90067
8 Telephone: (310) 556-5637
9 Facsimile: (310) 861-9051

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11 Attorneys for Plaintiff RONALD CHIN and proposed
12 Settlement Class
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1 Having considered the Stipulation Re: Settlement of Class Action (“Stipulation”)
2 and all other materials properly before the Court and having conducted an inquiry pursuant to the
3 Federal Rules of Civil Procedure, Rule 23, the Court finds that the Stipulation was entered by all
4 parties in good faith, and the Stipulation is approved, including an award of attorneys’ fees for
5 Class Counsel in the amount of \$150,000 and allowable litigation costs and expenses of up to
6 \$10,000. The Court will simultaneously, or the Clerk of the Court shall, enter the Judgment
7 provided in the Stipulation. Wachovia, itself or through the Claims Administrator, shall deliver
8 the payments to the Participating Claimants, the Class Representative and Class Counsel as
9 provided for in the Stipulation.

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PURSUANT TO STIPULATION, IT IS SO ORDERED.

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DATED: _____

The Honorable Claudia Wilken

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EXHIBIT 4

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1 MALCOLM A. HEINICKE (SBN 194174)
2 Malcolm.Heinicke@mto.com
3 560 Mission Street
4 Twenty-Seventh Floor
5 San Francisco, CA 94105-2907
6 Telephone: (415) 512-4000
7 Facsimile: (415) 512-4077

5 Attorneys for Defendants
6 WACHOVIA FINANCIAL SERVICES, WACHOVIA MORTGAGE
7 CORPORATION, WACHOVIA SHARED RESOURCES, LLC
8 (erroneously sued as Wachovia Services, Inc.), WORLD
9 MORTGAGE COMPANY, WACHOVIA COMMERCIAL
MORTGAGE, INC., WORLD SAVINGS, INC., WACHOVIA
EQUITY SERVICING, LLC, WACHOVIA BANK, N.A., WACHOVIA
CORPORATION, and WACHOVIA MORTGAGE, FSB

10 || PLAINTIFF'S COUNSEL LISTED ON NEXT PAGE

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

15 RONALD CHIN, individually, and on behalf of other members of the general public similarly situated,

Plaintiff,

VS.

19 WACHOVIA FINANCIAL SERVICES,
INC.; WACHOVIA MORTGAGE
CORPORATION; WACHOVIA
SERVICES, INC.; WORLD MORTGAGE
COMPANY; WACHOVIA
COMMERCIAL MORTGAGE, INC.;
WORLD SAVINGS, INC.; WACHOVIA
EQUITY SERVICING, LLC;
WACHOVIA BANK, N.A.; WACHOVIA
CORPORATION; WACHOVIA
MORTGAGE, FSB; and DOES 1 through
20 10, inclusive.

Defendants.

CASE NO. 4:08-cv-00684-CW

[PROPOSED] JUDGMENT

Date:

Time:

Place:

HONORABLE CLAUDIA WILKEN

Other Case Affected by Settlement: *Chin v. Wachovia Financial Services, Inc., et al.*, Case No. 4:08-cv-01320-CW

1 MARC PRIMO (SBN 216796)
2 MPrimo@InitiativeLegal.com
3 MÓNICA BALDERRAMA (SBN 196424)
4 MBalderrama@InitiativeLegal.com
5 INITIATIVE LEGAL GROUP APC
6 1800 Century Park East, 2nd Floor
7 Los Angeles, California 90067
8 Telephone: (310) 556-5637
9 Facsimile: (310) 861-9051

10
11 Attorneys for Plaintiff RONALD CHIN and proposed
12 Settlement Class
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1 This matter came on for hearing upon the joint application of the Settling Parties
2 for approval of the settlement set forth in the Stipulation re: Settlement of Class Action (the
3 "Stipulation"). Due and adequate notice having been given to the Class, and the Court having
4 considered the Stipulation, all papers filed and proceedings had herein and all oral and written
5 comments received regarding the proposed settlement, and having reviewed the record in this
6 Litigation, and good cause appearing,

7 IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

8 1. The Court, for purposes of this Judgment and Order of Dismissal
9 ("Judgment"), adopts all defined terms as set forth in the Stipulation Re: Settlement of a Class
10 Action ("Stipulation") filed in this case.

11 2. The Court has jurisdiction over the subject matter of the Litigation, the
12 Class Representative, the other Members of the Settlement Class and Wachovia.

13 3. The Court finds that the distribution of the Notice to Class Members, as
14 provided for in the Order Granting Preliminary Approval of Settlement and Setting a Settlement
15 Hearing, constituted the best notice practicable under the circumstances to all Persons within the
16 definition of the Class, and fully met the requirements of due process under the United States
17 Constitution and California law. Based on evidence and other material submitted in conjunction
18 with the Settlement Hearing, the actual notice to the class was adequate. The Court further finds
19 that the Settling Parties have further satisfied the requirements of notice to pertinent government
20 agencies set forth in the federal Class Action Fairness Act, *i.e.*, 28 U.S.C. § 1715.

21 4. The Court finds in favor of settlement approval.

22 5. The Court approves the settlement of the above-captioned action and
23 related case, as set forth in the Stipulation, each of the releases and other terms, as fair, just,
24 reasonable and adequate as to the Settling Parties. The Settling Parties are directed to perform in
25 accordance with the terms set forth in the Stipulation.

26 6. Except as to any individual claim of those Persons (identified in
27 Attachment A hereto) who have validly and timely requested exclusion from the Settlement
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1 Class, all of the Released Claims are dismissed with prejudice as to the Class Representative and
 2 the other Members of the Settlement Class. The Settling Parties are to bear their own costs,
 3 except as otherwise provided in the Stipulation.

4 7. Solely for purposes of effectuating this settlement, this Court has certified a
 5 class of all Members of the Settlement Class, as that term is defined in and by the terms of the
 6 Stipulation, and the Court deems this definition sufficient for purposes of due process and Rule
 7 23.

8 8. With respect to the Settlement Class and for purposes of approving this
 9 settlement, this Court finds and concludes that: (a) the Members of the Settlement Class are
 10 ascertainable and so numerous that joinder of all members is impracticable; (b) there are
 11 questions of law or fact common to the Settlement Class, and there is a well-defined community
 12 of interest among Members of the Settlement Class with respect to the subject matter of the
 13 Litigation; (c) the claims of Class Representative Chin are typical of the claims of the Members
 14 of the Settlement Class; (d) the Class Representative has fairly and adequately protected the
 15 interests of the Members of the Settlement Class; (e) a class action is superior to other available
 16 methods for an efficient adjudication of this controversy; and (f) the counsel of record for the
 17 Class Representative, *i.e.*, Class Counsel, are qualified to serve as counsel for the plaintiff in his
 18 individual and representative capacities and for the Settlement Class.

19 9. By this Judgment, the Class Representative shall release, relinquish and
 20 discharge, and each of the Settlement Class Members shall be deemed to have, and by operation
 21 of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all
 22 Released Claims (including Unknown Claims). The Released Claims, as more fully defined in
 23 the Stipulation, include any and all claims, demands, rights, liabilities and causes of action of
 24 every nature and description whatsoever including without limitation statutory, constitutional,
 25 contractual or common law claims, whether known or unknown, whether or not concealed or
 26 hidden, against the Wachovia Releasees, or any of them, that accrued at any time from January
 27 29, 2004 through the Preliminary Approval Date for any type of relief, including without
 28 limitation claims for wages, damages, unpaid costs, penalties, liquidated damages, punitive

1 damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, based on the
 2 following categories of allegations: (a) any and all claims for the failure to pay any type of regular
 3 or premium wages (including without limitation premium overtime wages or meal and/or rest
 4 period premiums); (b) any and all claims for the failure to provide meal and/or rest periods; (c)
 5 any and all claims for failure to comply with payroll or wage record-keeping or itemization
 6 requirements; (d) any and all claims for failure to timely pay wages due at termination or
 7 otherwise; and (e) to the extent not covered above, any claim pled in the Litigation.

8 10. Neither the Stipulation nor the settlement contained therein, nor any act
 9 performed or document executed pursuant to or in furtherance of the Stipulation or the settlement:
 10 (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of
 11 any Released Claim, or of any wrongdoing or liability of Wachovia or any of the Wachovia
 12 Releasees; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of,
 13 any fault or omission of Wachovia or any of the Wachovia Releasees in any civil, criminal or
 14 administrative proceeding in any court, administrative agency or other tribunal. In the event that
 15 the Effective Date does not occur, Wachovia shall not be estopped or otherwise precluded from
 16 contesting class or collective action certification in the Litigation on any grounds. Wachovia or
 17 any of the Wachovia Releasees may file the Stipulation and/or the Judgment from this Litigation
 18 in any other action that may be brought against them in order to support a defense or counterclaim
 19 based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment
 20 bar or reduction or any theory of claim preclusion or issue preclusion or similar defense or
 21 counterclaim.

22 11. The only Settlement Class Members entitled to payment pursuant to this
 23 Judgment are Participating Claimants. Neither the Stipulation nor this Judgment will result in the
 24 creation of any unpaid residue or residual.

25 12. Wachovia has agreed to pay Class Counsel their reasonable attorneys' fees
 26 in this matter in the total amount of \$150,000 as well as certain allowable costs in this matter up
 27 to the total amount of \$10,000, and Wachovia has agreed to pay an enhancement to the Class
 28 Representative, Ronald Chin, to reimburse him for his unique services in the amount of \$10,000.

1 The Court finds that these agreements are fair and reasonable. Wachovia is directed to make such
2 payments in accordance with the terms of the Stipulation.

3 13. The Court reserves exclusive and continuing jurisdiction over the
4 Litigation, the Class Representative, the Settlement Class and Wachovia for the purposes of
5 supervising the implementation, enforcement, construction, administration and interpretation of
6 the Stipulation and this Judgment. This action is dismissed with prejudice, and the Settling
7 Parties are directed to dismiss the PAGA Action with prejudice per the terms of the Stipulation.

8 14. This document shall constitute a judgment (and separate document
9 constituting said judgment) for purposes of Federal Rule of Civil Procedure, Rule 58.

10 IT IS SO ORDERED.

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DATED: _____

The Honorable Claudia Wilken

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